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FBIS-EAS-90-240 CONTENTS *13 December 1990*

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NORTHEAST ASIA

Japan

Kaifu: U.S. Using 'Same Approach' on Soviet Aid *[KYODO]* 1
Tokyo Assembly To Send Medical Aid to USSR *[KYODO]* 1
Gulf Package Included in Supplementary Budget *[KYODO]* 1
Kaifu on Protection of Citizens Residing Overseas *[Tokyo TV]* 2
North Korean Stowaways Going to Sakhalin *[KYODO]* 2
Greenpeace Intercepts Japanese Whaling Vessel *[KYODO]* 2
No Change in Quotas at Fish Talks With USSR *[KYODO]* 3
Joint Fishing Venture Set Up With Soviet Union *[KYODO]* 3
Government To Decide Next Defense Program 20 Dec *[KYODO]* 3
    JSP Urges Suspension of Plan *[KYODO]* 3
Ota on Tokyo Reception, Talks With Armacost *[RYUKYU SHIMPO 13 Dec]* 4
Government Panel Seeks To Control Land Prices *[KYODO]* 4

North Korea

Reportage on 3d N-S 'High-Level' Talks 5
    First-Day Session Reviewed *[KCNA]* 5
    Second-Day Session in Progress *[Pyongyang Radio]* 5
    Differences at Talks Revealed *[Pyongyang Radio]* 5
    Spokesman Briefs Reporters on Talks *[Pyongyang Radio]* 6
    Gives Second News Conference *[Pyongyang Radio]* 8
Members at Talks Hear Reunification Concert *[KCNA]* 11
    South Denounced for Actions at Concert *[Pyongyang Radio]* 11
    Further Report on Lack of Etiquette *[KCNA]* 12
South Hosts Dinner for North Musicians *[KCNA]* 12
    Committee Head Hosts Dinner *[KCNA]* 12
    Pyongyang Troupe Departs Seoul *[KCNA]* 13
'Anticommunist Commotions' in Seoul Assailed *[Pyongyang Radio]* 13
ROK Press Condemned for Abusing Peace Proposal *[KCNA]* 13
Envoy to PRC Denounces No Tae-u's Soviet Visit *[Pyongyang Radio]* 14
Paper Terms Socialism 'Superior' System *[KCNA]* 14
KCNA Reviews 13 Dec Pyongyang Press *[KCNA]* 15

South Korea

President No's Visit to Soviet Union Previewed 16
    No Delivers Departure Speech *[Seoul TV]* 16
    Editorials Hail Visit *[YONHAP]* 17
    USSR Nuclear Role Questioned *[YONHAP]* 18
    Delegation Listed *[THE KOREA TIMES SUPPLEMENT 13 Dec]* 19
    Businessmen To Accompany No *[THE KOREA TIMES SUPPLEMENT 13 Dec]* 19
    More on Business Goals *[YONHAP]* 20
    Trade Center Construction Detailed *[THE KOREA HERALD 12 Dec]* 20
CHOSON ILBO, PRAVDA Agree on Cooperation *[CHOSON ILBO 11 Dec]* 21
Further on North, South High-Level Talks 21
    Fourth Meeting Set For 25 Feb *[Seoul Radio]* 21
    Spokesmen Accuse Each Other *[YONHAP]* 21
North Korean Musicians Leave for Pyongyang *[YONHAP]* 22

North's Letter for Dissident Teacher Rejected *[YONHAP]* 22
Minister Warns Japan on Military Expansion *[KYODO]* 23
Future Links With Socialist Countries Viewed
[THE KOREA HERALD SUPPLEMENT 13 Dec] 23
Ministers Anticipate Tough U.S. Trade Talks *[YONHAP]* 24
Symposium on UR, Copyright Issue Held *[THE KOREA HERALD 13 Dec]* 24
Official Urges 'Defense Budget Retrenchment' *[THE KOREA TIMES 12 Dec]* 25
Ministry Revises Nuclear Power Programs *[THE KOREA ECONOMIC JOURNAL 11 Dec]* 25
New Strategy on Market Liberalization Cited *[YONHAP]* 26
DLP, PPD Agree To Introduce Local Autonomy *[YONHAP]* 26
Opposition Urges Release of Political Prisoners *[YONHAP]* 27

SOUTHEAST ASIA

Burma

Burmese Military Delegation Leaves for Thailand *[Rangoon Radio]* 28
PRC Railway Minister Meets With Aung Ye Kyaw *[Rangoon Radio]* 28

Brunei, Malaysia & Singapore

Malaysia

Further on PRC Premier Li Peng's Visit 28
  Comments on SRV, Spratlys *[AFP]* 28
  Urges East Asian Cooperation *[BERNAMA]* 29
  Radio Lauds Visit, Talks *[Kuala Lumpur International]* 29
  Agrees to Direct Trade, Departs *[Kuala Lumpur TV]* 30
Minister: PRC May Cut Palm Oil Import Tariff *[Kuala Lumpur International]* 30
Government Responds to Election Observers' Report *[BERNAMA]* 31
Panelist Analyzes Current Employment Situation *[BERNAMA]* 31

Singapore

Deputy Premier Lee Views Possible ASEAN Entry *[THE STRAITS TIMES 13 Dec]* 32

Cambodia

Further on Soviet Economic Delegation's Visit 32
  Meets With Heng Samrin *[SPK]* 32
  Cooperation Agreement Signed *[SPK]* 33
SRV Control Commission Team Departs 10 Dec *[SPK]* 33
Mat Ly Receives Cuban Friendship Delegation *[SPK]* 33
Red Cross Aid Distributed in Siem Reap Province *[SPK]* 34
SPK Reports Reduced Rice Crop in Battambang 34
Obstacles to Refugee Relief Efforts Viewed *[Bangkok THE NATION 9 Dec]* 34
Son Sann Decries Hun Sen for Rejecting Talks *[Radio VOK]* 35
SRV Experts To Train 'Puppets' in Kompong Thom *[Radio VONADK]* 36
Preah Vihear Unit 'Seriously' Lacks Food, Ammo *[Radio VONADK]* 36

Indonesia

Suharto Commissions Nuclear Research Facilities *[Jakarta Radio]* 36
House of Representatives Ratifies Timor Treaty *[AFP]* 36

Laos

Ministers Conferred With Medals for Achievements *[Vientiane Radio]* 37
Phoun Sipaseut Mourns Death of Malay Premier *[KPL]* 37
Daily Wishes Kaysone Good Health on Birthday *[KPL]* 37
U.S. Peace Group Members Meet With Leaders *[KPL]* 38

Philippines

Premier Li Peng's 'Official' Visit Previewed *[PHILIPPINE NEWSDAY 12 Dec]* 38
    Manglapus Reiterates One-China Policy *[PHILIPPINES NEWSDAY 13 Dec]* 39
    Li Peng Arrives in Manila *[Manila Radio]* 40
Aquino Rejects 'Doomsday' Calls to Resign *[THE MANILA CHRONICLE 13 Dec]* 40
Aquino's Call for Special Session Heeded *[MANILA BULLETIN 11 Dec]* 40
Ramos Views Police Bill, Peace Situation *[Manila Radio]* 41
Noted Economist Urges Ramos To Lead Takeover *[PHILIPPINE NEWSDAY 10 Dec]* 43
'Non Profitability' Causes Gas Dealers Boycott *[THE MANILA CHRONICLE 12 Dec]* 45
Militant Labor Union Courts Opposition, Loyalists *[THE MANILA CHRONICLE 12 Dec]* 45
Communist Rebels Tax Road Contractors *[MANILA BULLETIN 12 Dec]* 46
Former Economic Chief: IMF Violating Charter *[THE MANILA CHRONICLE 12 Dec]* 46
Trade Congress Condemns Killing of Labor Leaders *[Quezon City Radio]* 47
Refugees Appeal for Troop Withdrawal *[THE MANILA CHRONICLE 12 Dec]* 47
Palawan Yields New Crude Oil Field *[THE MANILA CHRONICLE 10 Dec]* 47

Thailand

Plan Developed To Evacuate 130,000 From Gulf *[BANGKOK POST 13 Dec]* 48
Democrat Party To Not Join Coalition Government *[BANGKOK POST 13 Dec]* 48
    Chat Thai Woos Prachakon Thai *[THAI RAT 13 Dec]* 49
Ministers Refuse Positions in New Government *[THE NATION 13 Dec]* 49
Chunhawan Concerned With Low Agricultural Prices *[Bangkok Radio]* 50
U.S. Officials Urge Talks on Textile Imports *[Radio VOFA]* 50
    Textile Exports to U.S. To Increase *[Radio VOFA]* 50
Article Examines Environmental Crisis *[THE NATION 11 Dec]* 51
Nigerian Seized at Airport With 4.9 Kg Heroin *[BANGKOK POST 12 Dec]* 52

Vietnam

Hun Sen in Hanoi To Defend Dissertation *[VNA]* 53
Further on National Assembly's Proceedings 53
    Communique No. 5 Issued *[Hanoi Radio]* 53
    Report on 12 Dec Meeting *[Hanoi Radio]* 53
    Further on 12 Dec Meeting *[Hanoi Radio]* 54
Assembly Views Anticorruption Campaign Results *[Hanoi Radio]* 55
Prime Minister Addresses Urbanization Conference *[Hanoi Radio]* 56
Vo Chi Cong Greets 9th Military Region Forces *[Hanoi Radio]* 58
Public Health Cooperation With Laos Enhanced *[VNA]* 58
Economic Ties With Foreign Countries Expanded *[Hanoi International]* 59
Cooperation With Overseas Vietnamese Discussed *[Hanoi International]* 59
Daily Hails Vietnam-EEC Diplomatic Relations *[VNA]* 59
Thai Envoy Holds Reception for King's Birthday *[Hanoi Radio]* 60

Japan

Kaifu: U.S. Using 'Same Approach' on Soviet Aid

OW1312045390 Tokyo KYODO in English 0440 GMT 13 Dec 90

[Text] Tokyo, Dec. 13 KYODO—Prime Minister Toshiki Kaifu said Thursday that Japan and the United States share the same views on offering emergency aid to the Soviet Union, indicating Tokyo may be willing to offer more substantial aid to Moscow.

"The United States is taking the same approach as we are," Kaifu told reporters in response to a question on the U.S. decision to make available up to 1 billion dollars in U.S. credit guarantees for food aid to the Soviet Union.

Chief Cabinet Secretary Misoji Sakamoto told a regularly scheduled press conference Thursday that Japan is still pondering what type of assistance is appropriate given the "various problems" facing the two countries. But he denied that the thorny dispute over four small islands northeast of Hokkaido would stand in the way of offering aid to help the Soviet Union overcome shortages of food in many stores.

"We are not taking a hard-line position that we can't do anything until the territorial issue is resolved," he said.

"We are making plans based on our future friendship," he said, noting that both Japan and the U.S. regard the food shortage in the Soviet Union as a humanitarian issue.

Kaifu on Wednesday in the Diet repeated Japan's policy of linking financial assistance to the Soviet Union with progress on the territorial dispute and called on the Kremlin to make concessions.

"Japan cannot set aside the territorial dispute when considering giving financial support to the Soviet Union," Kaifu said.

Kaifu, however, showed a positive attitude toward giving emergency food aid and medical supplies to the Soviet Union to help the country get through winter.

Tokyo Assembly To Send Medical Aid to USSR

OW1312120690 Tokyo KYODO in English 1029 GMT 13 Dec 90

[Text] Tokyo, Dec. 13 KYODO—The Tokyo metropolitan assembly agreed Thursday to send medical supplies worth more than 1 million yen in emergency aid to the city of Moscow, officials said.

A total of 127 assembly members will donate 10,000 yen each to purchase medical supplies.

The Tokyo metropolitan government also plans to discuss emergency aid with Moscow Mayor Gavriil Popov when he visits Tokyo in January to conclude a sister city relationship with the Japanese capital.

Moscow, once the Soviet Union's city of plenty, began rationing consumer goods last week and citizens are restricted to shopping at designated stores, at specific times, and are allowed to buy goods worth only up to 150 rubles (about 268 dollars).

The Soviet Union faces severe shortages of food and other consumer goods.

Gulf Package Included in Supplementary Budget

OW1312111790 Tokyo KYODO in English 0803 GMT 13 Dec 90

[Text] Tokyo, Dec. 13 KYODO—The House of Representatives on Thursday passed a 2.28 trillion yen supplementary budget for the current fiscal year ending next March 31, including a package of measures worth 130 billion yen to help the multinational forces in the Persian Gulf.

The third-biggest opposition party, the Democratic Socialist Party, joined the ruling Liberal Democratic Party (LDP) in voting for the bill, while other opposition parties voted against it.

After the vote the bill was sent to the House of Councillors, where it is likely to be defeated in view of the LDP's lack of an overall majority.

Under the Constitution, the lower house has greater authority over the budget, and in the event of disagreement its decision prevails. The bill is therefore expected to become law around December 17, Diet sources said.

The current 150-day Diet session is a regular session and was convened on Monday to continue through May 8 with year-end and New Year recesses.

Prior to the plenary session, Finance Minister Ryutaro Hashimoto defended the inclusion in the supplementary budget of the 1 billion dollars worth of financial aid to the multinational forces stationed in the Gulf region to deter Iraqi aggression.

A Japan Socialist Party lawmaker, Kikuo Toda, criticized the inclusion of the assistance in the budget measure.

In total, Japan has pledged 2 billion dollars in support of the forces, and another 2 billion dollars as economic aid for frontline nations affected by sanctions against Iraq following its August 2 invasion of Kuwait. Expenditure of other 3 billion dollars has already been approved by the legislature.

In the debate, Prime Minister Toshiki Kaifu expressed his intention to quickly establish a crisis management procedure on the protection of overseas Japanese nationals trapped in international conflicts.

Kaifu, referring to the holding of Japanese businessmen for as long as four months by Iraq in the current Gulf conflict, stressed the need to improve Japan's gathering and distribution of information prior to the possible outbreak of a conflict.

But he stopped short of making any clear-cut commitment to the possibility of staging a direct rescue of trapped Japanese nationals. Kaifu said the situation differs from one country to another.

Kaifu on Protection of Citizens Residing Overseas

OW1312081890 Tokyo NHK General Television Network in Japanese 0300 GMT 13 Dec 90

[Text] Prime Minister Toshiki Kaifu, appearing before a meeting of the House of Representatives Budget Committee today, said he plans to enhance an information collection system at diplomatic missions abroad for the future protection of Japanese nationals residing overseas. He made this statement in connection with the taking of hostages by Iraq.

At the House of Representatives Budget Committee meeting, Socialist Representative Tatsuo Shinmori asked how the government plans to build a crisis management system in the wake of Iraq's hostage taking.

In reply, Prime Minister Kaifu said: Japanese are involved in activities all over the world. On the basis of its evaluation of the latest hostage case, the government is currently examining ways of coping with unfortunate incidents if and when such incidents occur. The government is examining those areas in which information collection at Japanese diplomatic missions abroad are inadequate and considering what should be done to convey accurate information to Japanese nationals overseas as rapidly as possible. The government is trying to keep this system in good shape. He thus emphasized his plan to substantiate the information collection and dissemination system at embassies and other diplomatic missions overseas.

Another socialist, Kikuo Toda, raised the political reform issue. Noting that the small electoral constituency system, which the ruling Liberal Democratic Party plans to introduce in the House of Representatives, is defective, he called on Prime Minister Kaifu to reconsider the LDP plan to introduce the system.

In reply, the prime minister said: Under the current election system, under which two or more candidates from one and the same party run in the same electoral district, politicians tend to spend their time and effort on topics other than policies. The times demand that the election system be changed to one centered on policies and parties. I believe it is necessary for everyone to discuss and rectify the political climate. We must continue political reform assiduously; I welcome your discussion, understanding, and cooperation in this regard.

The prime minister thus reiterated his strong enthusiasm for political reform through the introduction of a small electoral constituency system.

North Korean Stowaways Going to Sakhalin

OW1212131690 Tokyo KYODO in English 1200 GMT 12 Dec 90

[Excerpt] Oita, Dec. 12 KYODO—Japan has decided to let two stowaways claiming to be North Koreans leave Oita Port Thursday for a Soviet port on Sakhalin Island, Japanese immigration officials said Wednesday.

The officials said the decision was made after questioning the two men found hiding on the Singapore-registered cargo vessel, the ASEAN Express, which arrived in Oita Port, southern Japan, on Monday night.

The vessel with the two on board is to head for its next destination, Vostochnyy Port, southern Sakhalin, they said.

Mitsuo Yonehara, head of a local immigration office, said they have decided to discontinue an investigation into the two men, mainly because they want to defect to South Korea, not Japan. He also denied speculation that Japan made the decision taking into consideration relations with North Korea. [passage omitted]

Greenpeace Intercepts Japanese Whaling Vessel

OW1312111590 Tokyo KYODO in English 0912 GMT 13 Dec 90

[Text] Sydney, Dec. 13 KYODO—A ship belonging to the Greenpeace environmentalist group has intercepted a Japanese whaling research vessel in the Tasman Sea, Greenpeace reported from New Zealand on Thursday.

The greenpeace ship Gondwana found the No. 3 Nisshin Maru on Wednesday some 300 nautical miles southeast of Sydney.

Greenpeace members aboard the Gondwana are intending to force the Japanese vessel to turn back by jumping into the water ahead of it as it sails through the Tasman Sea toward whaling grounds in the south, the environmental activists said.

In Tokyo, Fishery Agency officials said a ship apparently belonging to the environment group is cruising parallel to the No. 3 Nisshin Maru, at a distance of 200-300 meters. Officials said they are being kept informed of the Japanese vessel's movements but have not yet confirmed whether the Gondwana has carried out any sabotage activities.

The International Whaling Commission (IWC), a world body supervising whaling affairs, adopted a ban on commercial whaling in the Antarctic in 1982, but allows whaling for scientific research.

Norway and Japan carry out scientific whaling activities, while the Soviet Union is also planning a research project, the agency officials said.

Under increasing antiwhaling sentiment throughout the world, Japan withdrew from commercial whaling in

1988. The decision came after talks with the U.S., which warned Tokyo to cut Japan's fishing quota in American 200-nautical-mile sea zones if Japan was to keep commercial whaling.

The Japanese ship, dispatched by an independent research foundation authorized by the Agriculture, Forestry and Fisheries Ministry, left Japan last month for the Antarctic where it plans to catch some 300 minke whales for scientific purposes until around April, the officials said.

No Change in Quotas at Fish Talks With USSR

OW1212153990 Tokyo KYODO in English 1250 GMT 12 Dec 90

[Text] Tokyo, Dec. 12 KYODO—Japan and the Soviet Union on Wednesday proposed to set next year's fishing quotas in each other's 200 mile zone at 182,000 tons each, Japanese officials said.

The quantity is the same as this year's. The officials said the two nations may reach agreement on the quotas since their proposals were accidentally the same.

In addition to the free quotas, Japan has asked for an increase of 20,000 tons in the paid quota, which stood at 35,000 tons this year.

Soviet negotiators have shown no response to the request during the day's discussion, the officials said.

In the annual bilateral fishing talks that started Monday, the two sides have put forward their fishing terms for next year, and major talks will be held after Thursday, the officials said.

Joint Fishing Venture Set Up With Soviet Union

OW1212123190 Tokyo KYODO in English 1045 GMT 12 Dec 90

[Text] Kushiro, Hokkaido Pref., Dec. 12 KYODO—Japanese fisheries companies signed a contract on Wednesday to invest in a fisheries firm to be set up jointly with the Soviet Union, officials said.

Fisheries companies in the northern Japanese city of Kushiro, Hokkaido will hold 31 percent of Kamkaido, which will be headquartered in Petropavlovsk-Kamchatskiy on the Kamchatka Peninsula.

The fisheries authorities of Kamchatka will own the rest of the joint company, which will be capitalized at an equivalent of 32 million yen.

The new company, scheduled to begin operations next February, aims to engage in processing and sales of seafood, as well as ship leasing and other fisheries-related business.

Kamkaido will be a Soviet firm and its activities will be bound by Soviet laws, the officials said.

Government To Decide Next Defense Program 20 Dec

OW1312060590 Tokyo KYODO in English 0546 GMT 13 Dec 90

[Text] Tokyo, Dec. 13 KYODO—The government will make a final decision on the next five-year defense plan on December 20, one day later than scheduled, after a series of policy meetings beginning Saturday, government sources said Thursday.

Meetings of the Security Council—the nation's top decision-making body on defense affairs—chaired by Prime Minister Toshiki Kaifu and attended by his six key cabinet ministers, will be held on December 15, 19, and 20, to finalize the plan.

It will come into effect next April with the start of fiscal 1991, when the current five-year plan expires, and is expected to involve expenditure of about 23 trillion yen over the five-year period.

The series of defense meetings will discuss Japan's 14-year-old national defense program outline, which sets a target for the level of defense forces required under Japan's policy of maintaining only a self-defense capability.

The government sources said the talks may include calls for a review of the 1976 outline.

The outline, implemented in 1976 by the cabinet of the late Prime Minister Takeo Miki, says Japan would independently fight limited and small-scale aggression but would seek the help of U.S. forces to jointly repulse a larger invasion.

Analysts said Kaifu's comment in Wednesday's Diet session that he will respect the 1976 policy in determining the next five-year defense plan means Japan's policy will follow the "spirit" of the outline and keep only a moderate defense capability.

They stressed, however, that this does not necessarily mean the government will adhere to the controversial target of keeping annual defense outlays below 1 percent of the nation's gross national product (GNP).

JSP Urges Suspension of Plan

OW1312062890 Tokyo KYODO in English 0558 GMT 13 Dec 90

[Text] Tokyo, Dec. 13 KYODO—The top opposition Japan Socialist Party (JSP) called on the government on Thursday to put off drafting a defense program due to be finalized on December 20.

JSP Secretary General Tsuruo Yamaguchi told reporters he made the request for the government to suspend the program, expected to involve expenditures amounting to about 23 trillion yen, to Chief Cabinet Secretary Misoji Sakamoto when they met at the prime minister's office.

Yamaguchi said he asked Sakamoto to deliver to Prime Minister Toshiki Kaifu a JSP statement requesting the government to put off drafting the program, due to come into effect next April and set Japan's basic defense capabilities over the following five years.

The statement by the JSP said Japan should suspend drafting of the program as a relaxation of tension between the United States and the Soviet Union has brought a post-cold war era to Europe.

The new international order in Europe is bringing about a more peaceful environment in Asia and the Pacific, the statement said, adding that Japanese Government will have to play a leading role in bringing peace and security to the region.

The statement also said Japan should review the Japan-U.S. Security Treaty and should scrap its plan to increase its contribution toward the cost of keeping U.S. forces stationed in Japan.

Ota on Tokyo Reception, Talks With Armacost

OW1312051490 Naha RYUKYU SHIMPO in Japanese 13 Dec 90 Morning Edition p 1

[Text] Tokyo—Governor Masahide Ota, who is in Tokyo to pay his inaugural courtesy calls and to seek budgetary and policy support, met reporters at the Okinawa Prefectural Government's Tokyo liaison office on 12 December. Summing up the results of his courtesy calls, he said, "I was given a favorable reception and words of encouragement by every ministry and agency."

Governor Ota said: "Although people say that, since I am a reformist, my relations with the central government are a source of concern, there is no need for such concern. I have found every ministry and agency amicable and cooperative." He then stresssed that a bright vista has opened for his future prefectural administration.

Discussing the military bases issue, the new governor reclarified his policy to manage prefectural administration for the return of bases through promotion of understanding in more minute detail. He said: "U.S. Ambassador to Japan Armacost is an old acquaintance of mine. We exchanged frank views and agreed to strive for building a structure through which the voices of the people of Okinawa can reach the U.S. Government directly." The agreement, he said, was reached during his courtesy call on the U.S. ambassador at the U.S. Embassy on the morning of 12 December.

Governor Ota chatted with Ambassador Armacost in English for 30 minutes, beginning at 1000. Leming, secretary for political affairs, who is a son of the first U.S. consul general in Okinawa, was present at their meeting.

Stressing his friendship with Ambassador Armacost, he said: "I previously have conveyed to the ambassador my cherished view that the presence of U.S. military bases is a factor which hampers the development of Okinawa. The ambassador stressed the importance of the Japan-U.S. Security Treaty and I refuted him, saying that it is what the U.S. side claims. He and I can exchange such a frank talk." He thus showed a bright vista for implementation of his policy for the return of U.S. military bases in Okinawa, which he cites as pivotal for the management of his prefectural administration.

Turning to his courtesy call on Yoshio Kodama, director general of the Defense Facilities Administration Agency, Governor Nishime said: "I also conveyed to Director General Kodama my intention to resolve the military bases issue in real earnest, and he was quite favorable."

Government Panel Seeks To Control Land Prices

OW1212152390 Tokyo KYODO in English 1426 GMT 12 Dec 90

[Text] Tokyo, Dec. 12 KYODO—A government panel on administrative reforms Wednesday urged Prime Minister Toshiki Kaifu to introduce a new land holding tax as soon as possible in a bid to curb soaring land prices prior to drawing up a draft budget for fiscal 1991.

The panel also called for stepping up the nation's contribution to the international community in a statement to the government.

The Ad Hoc Council on Administrative Reform, an advisory body to the prime minister, made its requests in connection with Japan's fiscal 1991 budget, starting April 1, which will be compiled by the end of the year.

The council, chaired by Eiji Suzuki, president of the Japan Federation of Employers' Associations (Nikkeiren), stressed two main goals—improving the quality of life of the Japanese people and expanding Japan's contribution to the world community.

On Japan's international role, the council stressed the need to review Japan's official development assistance (ODA) to improve the quality of aid for developing countries.

In the budget for fiscal 1991, the Foreign Ministry, in charge of ODA, is expected to demand at least an 8 percent increase in outlays for overseas assistance over the previous budget, government officials said.

Greater cooperation by Japan in efforts to protect the global environment and to maintain world peace was also requested by the council.

The council described the skyrocketing land prices in Japan as the largest "obstacle" to the realization of an affluent society, and expressed positive support for the introduction of a new land holding tax.

The council is scheduled to submit the final recommendation on national administrative reforms to the government by next summer.

North Korea

Reportage on 3d N-S 'High-Level' Talks

First-Day Session Reviewed

SK1212170890 Pyongyang KCNA in English 1639 GMT 12 Dec 90

[Text] Seoul December 12 (KCNA correspondent)—The first-day session of the third North-South high-level talks was held at the Hotel Shilla in Seoul today.

At 1000 A.M. Premier of the Administration Council of the DPRK Yon Hyong-muk who is heading the North side's delegation, and the delegates of the North side and the suite entered the conference room.

"Prime Minister" Kang Yong-hun who is chief delegate, and the delegates of the South side and the suite also appeared in the room.

Head of the North side's delegation Yon Hyong-muk made a keynote speech.

Chief delegate of the South side "Prime Minister" Kang Yong-hun also made a keynote speech. He repeated his old assertions, avoiding mentioning the entry of the North and the South into the United Nations with a single seat, discontinuation of the "Team Spirit" joint military exercises and the release of visitors to the North demanded by our side.

Setting out such "conditions" as "normalisation of the abnormal North-South relations," "creation of the basic framework for the discussion and solution of the nonaggression question," he again brought forward "basic agreement on the improvement of North-South relations" with a partial amendment to the 8-point "basic agreement" which he had put forward earlier.

Insisting again that a nonaggression declaration could be adopted only after the adoption of an "agreement" on the "improvement of North-South relations," the South side relegated behind the question of defusing political and military confrontation, the pressing question.

Persistently talking about "relations between the two states" of North and South, it again revealed its intention to seek permanent division and tried to lead the discussion astray at the talks by coming out with such unessential questions as realization of cooperation, and correspondence, reunion and visits between separated families and relatives and the establishment of a subcommittee of North-South exchange and cooperation and a North- South political and military subcommittee.

The talks today ended with the keynote speeches by the heads of the delegations of the two sides.

The spokesman for our side gave a news briefing after the talks.

The talks will continue on December 13.

Second-Day Session in Progress

SK1312013890 Pyongyang Domestic Service in Korean 0122 GMT 13 Dec 90

[Report by Yu Taek-hwan from Seoul]

[Text] The second-day session of the third round of North-South high-level talks is being held behind closed doors in the conference hall at the Shilla Hotel, Seoul.

Attending the talks from our side are Yon Hyong-muk, head of the North side's delegation to the North-South high-level talks and prime minister of the DPRK State Administration Council, delegates, and suite members. Also, the chief delegate, delegates, and suite members from the South side are attending the talks.

To cover the talks, numerous North, South, and foreign reporters came to the conference hall.

The talks are in progress.

Differences at Talks Revealed

SK1312070590 Pyongyang Domestic Service in Korean 1148 GMT 12 Dec 90

[By station commentator Chong Pong-kil: "Two Contrasting Positions Which Have Been Revealed Again"]

[Text] According to a report, the first-day session of the third round of North-South high-level talks was held in Seoul on the morning of 12 December.

The talks were held with public opinion at home and abroad expressing concern over their future. This is because the previous two rounds of talks and three working-level contacts after the second round of talks repeated fruitlessly and failed to even narrow differences in stands and views on elementary questions.

Looking back upon the previous rounds of talks, Yon Hyong-muk, head of our side's delegation and prime minister of the DPRK State Administration Council, referred to problems, which should be adopted as lessons for a new start, and emphasized that a new change in perceiving the questions concerning peace in the country is urgently needed; that the attitude of tolerating the interference of foreign forces in solving the problem of reunification or of trying to rely on them should be thoroughly rejected; and that a creditable and honest attitude of dialogue is necessary for sincere talks.

By combining our draft declaration of nonaggression with the South side's draft declaration of reconciliation and cooperation, he proposed that a North-South declaration of nonaggression, reconciliation, and cooperation—a progressive proposal with epoch- making significance in guaranteeing peace in the country and achieving its peaceful reunification—be adopted.

Our side's 10-point North-South draft declaration of nonaggression, reconciliation, and cooperation fully reflects problems of principle and practical significance which must be solved in removing misunderstanding and distrust, promoting reconciliation and unity, and achieving peace and peaceful reunification between the North and the South. In addition, the proposal, from its title to content details, equally reflects the demands of the two sides.

Our new proposal, an expression of our ardent desire for giving the people at home and abroad not disappointment but pleasure, can be viewed as another bold concession.

At the talks, our side also urged the South side to firmly reply to taking affirmative measures in connection with the most pressing and important political and military pending issues, such as the issue of entering the United Nations with a single seat, the issue of discontinuing the "Team Spirit" joint military exercise, and the issue of releasing those who have visited the North. This is a just demand.

This is all the more just because the South side, instead of trying to settle these three issues, has increased obstacles by continuing behind-the-scenes operations for a separate entry into the United Nations, by arresting and detaining the South side's delegates to tripartite Berlin talks for a pan-national alliance for national reunification, and by announcing its plan to continue the "Team Spirit" joint military exercise.

Our demand for concluding the work of settling the three immediate issues within this year proceeds from our sincere aspirations for removing obstacles to the talks at an early date and making all efforts to begin to discuss basic problems next year.

While we dealt with the talks from the position of trying to hold a fruitful dialogue by substantially solving problems, the South side persisted in its unjust demands, assuming its stereotyped position at the talks.

In his keynote speech, the chief delegate of the South side leaned away from the pending issues the settlement of which is urgent, but instead found fault with us this way and that and dragged on with lengthy sophism to justify his splittist stand.

Furthermore, he obstinately argued that only when a basic agreement for improving North-South relations has been adopted can the problem of adopting a nonaggression declaration along with the problem of exchange and cooperation be agreed upon and solved. And then, he came out with a so-called revised proposal.

Regardless of how its expression was corrected, the South side's revised version of the basic agreement is, in essence, a full imitation of the basic treaty of relations signed between East and West Germany early in the 1970's and is a division-oriented document designed to perpetuate and legalize the current state of division through a North-South agreement.

However emphatically the South side may say that the agreement is reconciliation- and reunification-oriented, its remarks are not persuasive.

Setting forth the adoption of the basic agreement as a precondition for adopting a nonaggression declaration is aimed at hiding from solving the problem of peace at any cost—a prerequisite for peaceful reunification.

The South side advocated the matter of adopting a nonaggression declaration with its own remarks and at the second round of talks, said that it would examine it with a progressive attitude and affirmatively deal with it. This notwithstanding, taking the attitude of again refusing the matter under another pretext is an act devoid of even basic credibility.

Holding that only when the so-called basic agreement has been adopted can a reliable nonaggression declaration be adopted is convoluted logic.

A nonaggression declaration to firmly commit not to invade the other side with armed force is a basic document to establish peaceful North-South relations without any threat of aggression and is a starting declaration which opens the way for removing misunderstanding and distrust between the North and the South and achieving peace and peaceful reunification.

The South side's attempts to avoid the adoption of a nonaggression declaration under the pretext of the first building credibility only reveals its obstinate attitude of trying not to do anything in favor of peace and peaceful reunification.

Through the results of the first-day session of the third round of North-South high-level talks, it has become obvious again who is genuinely trying to solve the problem of peace and peaceful reunification through dialogue and who seeks another purpose, dragging out the discussion of the problem.

Should even the third round of talks end without any fruition, this will give great disappointment to our fellow countrymen who strive to make the 1990's shine as a decade of reunification.

Whether progress will be made in the second-day session totally depends on the attitude and position the South side brings to the talks.

Spokesman Briefs Reporters on Talks

SK1312072390 Pyongyang Domestic Service in Korean 0806 GMT 12 Dec 90

[Text] According to a report by reporters Yu Taek-hwan and Han Kwang-to from Seoul, following the first-day meeting of the third North-South high-level talks, the spokesman for our side's delegation gave a news conference to reporters. Present at the news conference were reporters of the North and South and foreign reporters who have come to cover the talks. First, An Pyong-su, the spokesman for our side's delegation, spoke at the news conference.

[Begin An recording] The first-day meeting of the third talks has just finished. I think that various reporters here know what happened at the talks because they were open talks. Therefore, I will tell you a few things to help you understand the talks. We have summed up the process of dialogue so far, the process of the high-level talks. We have concluded that we have a few lessons to learn.

First of all, we must have a correct understanding of the issue of peace on the Korean Peninsula; must free ourselves from the outdated understanding of the peace issue. This is an issue that we feel acutely. Here, [word indistinct] is the issue of how important the issue of peace in our country is. We must have a correct understanding of what hinders the reunification of the Korean Peninsula and what threatens the security of the 70 million people and must resolve this issue (?at the earliest possible date). Of course, as we explained in the second talks, we have advanced proposals on the humanitarian issue, economic exchange, commodity trade, and [word indistinct]. We have also expressed our new position on [words indistinct]. Nevertheless, unilaterally proposing facilitating, first of all, humanitarian, and economic exchanges after laying aside a fundamental issue, the peace issue, is the act of turning a blind eye to stark reality on the Korean Peninsula, and proposing arranging tours or events is, as the head of our side's delegation has stated, virtually a naive act against common political sense. This is the first problem. Another problem regarding peace is: The notion that one can deter war only from a position of strength must be discarded. Objectively speaking, the South side has mapped out a firm plan for an arms race and military buildup for a period up until 1995, and this has already been made public. If the arms race is accelerated under circumstances where we are discussing the peace issue [words indistinct], we will not be able to agree on any issue regarding peace or military affairs until 1995. This provides very glum prospects for the issue of peace in our country. From this perspective, we must discard the theory of deterring war from a position of strength, a theory that will only accelerate the arms race. That is, we must have a new understanding of peace.

Another lesson we have learned [words indistinct] is what a serious influence the attitude of depending upon outside forces exerts upon removing obstacles to the talks. We could not help but think of this issue. First of all, the South side has said it agrees on a nonaggression declaration. Today, approximately 50 days after the second talks were held, the South side advanced a proposal. [Passage indistinct]. Why does the South side assume such an attitude? If a nonaggression declaration is signed, the armed forces must be reduced, and if the armed forces are reduced, the U.S. Forces must be withdrawn from South Korea. This is an issue [words indistinct]. [Passage indistinct] This is designed not to resolve the issue of peace in our country [words indistinct]. This is an anti-reunification, anti-peace, and anti-logical idea to perpetuate current division by relying on outside forces. Seen from a national standpoint, this is truly reversed logic. I think that only when the South side abandons this logic, will it be able to willingly accept a nonaggression declaration at once. Another issue that we must note with regard to the issue of outside forces is: The North-South high-level talks are being held. They are very valuable talks. The talks can discuss any issue involving relations between the North and South. The talks are being held for the third time. I think that visiting foreign countries to ask favors with regard to the issue of North-South relations and the reunification issue is very wrong from a national standpoint. This, first of all, is the act of making light of the North-South high-level talks. This should not have been done. Issues must be discussed and resolved within the nation. Raising issues outside the nation and asking someone to lead the North to open up is preposterous.

This has no relation to the position of sincerely settling the question of reunification and peace through dialogue by transcending systems. Thus, this should be refrained from. Frankly, I will not talk about this question.

The third lesson is that there should really be mutual trust in the talks. If there is no trust, dialogue cannot be held. This is really a basic issue.

However, as you reporters have already heard, the South side said in Pyongyang that it would evaluated the proposals put forward by the North, and all this has been made public. However, in Japan, the South side said before the Japanese people that there still has been no change in attitude of the North, as if the North should be held responsible for the lack of success in the dialogue. This is, in fact, a distortion.

This should not be allowed. If they have something to say, they should say it to our face, and if they have any questions, they should discuss it with each other. However, if they speak well of us to our face, and speak ill of us behind our back, trust cannot exist. Thus, if there is no trust, a reliable dialogue cannot be held. This has been one of the reasons for the fruitless dialogue so far.

Such being the case, we proposed the three issues that should be taken as a lesson.

As for a basic issue, on arriving in Seoul we said that we were ready to introduce a forward-looking proposal. What is this forward-looking proposal? As you know, there have been so far three contacts between working-level delegates in connection with the question of adoption of a nonaggression declaration, which was put on the agenda at the second round of talks.

The question of adoption of a nonaggression declaration and the question of how many other documents should be adopted have been seriously discussed in the contacts of the working-level delegates.

Since the first contact between working-level delegates, the South side has claimed that a basic agreement on improving relations between the North and the South should be adopted. And, a passage on nonaggression was not included in the 1st contact.

At the second round of the talks, we proposed to the South side that a nonaggression declaration be adopted, and then a joint statement on reconciliation and cooperation, which was proposed by the other side, be adopted. And, after this, if there was another logical question that should be settled, we proposed that a joint statement of the North-South high-level talks be adopted. In other words, we proposed that all three proposals, which have been put forward since the second round of talks by both sides, be adopted.

The South side's opinion is, however, that only a basic agreement on improving the relations between the North and the South be adopted. The South side has consistently maintained this claim through the first round of working-level delegates' talks, the second round of working-level delegates' talks, and the third round of working-level delegates' talks.

At the working-level talks, because the South side claimed that only one document be adopted, we proposed that the three documents be compressed into two documents. Thus, we gave up a document. In other words, we proposed that a nonaggression declaration be adopted first, and then, a declaration on reconciliation and cooperation be adopted. Under these circumstances, the third round of the full-dress talks came into being.

If we had come to today's talks with the attitude which we took in the contacts of the working-level delegates, the views of both sides could in no way be agreed upon.

Such being the case, we newly proposed that a declaration of the North-South nonaggression, reconciliation, and cooperation be adopted, by integrating the two documents into one. This is our second concession in the course of negotiations with the South side in connection with a nonaggression declaration. You should know this. And, there is a question concerning subcommittees. However, no agreement on the issue of two subcommittees or three subcommittees has been reached yet. This is, however, not a basic question. Thus, this will be settled through negotiations.

What we should stress regarding these talks is the settlement of three urgent questions, including the question of the release of those figures charged for visiting the North. Not one of them has not been clearly settled. Still worse, these questions are going from bad to worse. This is a problem.

Even at this moment, sinister foreign negotiations for a separate entry into the United Nations are under way. Regarding the question of releasing those figures arrested on charges of visiting the North, even though Rev. Mun Ik-hwan was released, three other persons are still being detained. Namely, one person was released, and three persons are detained.

As for the question of the "Team Spirit" exercise. This question was made public in the ROK-U.S. security consultative meeting. In other words, before holding sincere negotiations on the proposal put forward by the other partner and making a final decision, such a question was unilaterally made public and decided. We are very sorry for this.

These are a few of the central questions which we raised in today's talks. [end recording]

There were answers to the questions raised by reporters in a press conference.

Gives Second News Conference

SK1312113290 Pyongyang Domestic Service in Korean 0600 GMT 13 Dec 90

[News conference by An Pyong-su, DPRK delegation spokesman, following the second-day meeting of the third North-South high-level talks attended by DPRK Prime Minister Yon Hyong-muk and ROK Prime Minister and senior delegate Kang Yong-hun; held in camera at the Shilla Hotel, Seoul, on 13 December--recorded]

[Text] How are you, reporters? The two-day meetings of yesterday and today have finished. As you all know, yesterday's meeting was held publically, and today's meeting was held in camera. I cannot elaborate on all the issues that were discussed. After attending the first- and second-day meetings of the third talks, we have come to have a certain view on which issues the two sides have different views and why the two sides have such differences of view. I think that all of you reporters know what happened in yesterday's meeting because it was held publically. Therefore, I will not explain again what was discussed. In yesterday's meeting, our side advanced the proposal that a North-South declaration on nonaggression and reconciliation and cooperation be adopted, and the South side advanced the proposal that a basic agreement on improving North-South relations, which it presented in the first talks, be adopted. This was a basic issue in yesterday's talks. In today's second-day meeting, the two sides sincerely exchanged views on this issue.

First of all, I will explain how we assess the South side's keynote speech. From the South side's keynote speech, we felt that the South side was making all-out defensive efforts to prevent the adoption of a nonaggression declaration and a declaration on reconciliation and cooperation.

How can we say so? Firstly, this time during the talks the South side gave a lengthy explanation about the efforts it has made in the past in connection with the issue of adopting a nonaggression declaration. We can pay attention to the South side's insistence on the adoption of a nonaggression declaration. But, such insistence by the

South side is nothing but propaganda. Moreover, the South side has talked about adopting a nonaggression declaration thus far. Yet, today it stubbornly opposes the adoption of a nonaggression declaration when our side proposes it at the talks. Why? This offers a problem today.

Secondly, whenever the South side has proposed concluding a nonaggression treaty in the past it has never referred to such prerequisites as the building of trust between the North and the South before the treaty is concluded, the signing of a treaty on basic relations between the North and the South, and the improvement of relations between them. However, today when our side put forward the issue of adopting a nonaggression declaration, the South side insists that a nonaggression declaration cannot be adopted unless a basic agreement for improving relations between the North and the South is adopted. This is another problem. So, we have the strong impression that such an attitude by the South side is aimed at avoiding the nonaggression declaration and the declaration on reconciliation and cooperation.

Another attitude of the South side toward the issue of adopting a nonaggression declaration is its irresolute and indecisive attitude. As you know, when North-South preliminary parliamentary contacts were held in the past, the South side claimed that the issue of adopting a nonaggression declaration is not an issue to be discussed at the National Assembly, thus trying to avoid the issue. Since then the South Korean National Assembly has insisted that the issue of adopting a nonaggression declaration belongs to the authorities, not to the National Assembly. However, in the talks between the authorities the South side insisted differently. In other words, as seen by its attitude in the second round of the North-South high-level talks, the South side has insisted that the issue of adopting a nonaggression declaration does not belong to the authority of prime minister. In the current talks, even the basic direction of the nonaggression declaration and the declaration of reconciliation and cooperation has not been agreed upon between the two sides.

In today's session the South side proposed that the issue of adopting a nonaggression declaration and the declaration of reconciliation and cooperation be discussed at subcommittees which will be formed in the future. Of course, there are such matters as the procedures for discussion of documents, procedures for ratification of documents, and so forth.

However, the attitude of the South side, which has been trying to avoid discussing this issue, makes us question whether the South side is genuinely willing to discuss the issue of nonaggression and (?mutual) cooperation with us or not.

What is more, we consider the South side's stand on the nonaggression declaration has backtracked even further than at the second round of talks. This we truly feel. What makes us say this? At the second round of talks, the South side clearly proposed that a joint declaration on reconciliation and cooperation be adopted based on its own side's proposal, and the proposal contained an item that called on the North and the South to give up the use of force against the other, something that generally constitutes the backbone of any nonaggression declaration. I am sure that it was there.

Nevertheless, this time the South side withdrew it without mentioning it and, as a result, the South side has gone back to what it proposed at the first round of talks, the so-called basic agreement on improving relations between the North and South.

This basic agreement mentions nothing about the nonaggression declaration. Judging from this, we realize that the South side's stand is not firm and its attitude is considerably irresolute. We consider such an attitude to be a sort of mockery to the other party to dialogue, as well as a sort of poking fun at the North-South high-level talks that bear heavy responsibility.

At the third round of talks, the South, after proposing that the basic agreement on improving North-South relations be signed ahead of others, offered a series of theoretical and practical ideas to back the agreement. We consider them to be untrue.

First, as was made clear at yesterday's meeting and, therefore, as you may know, the South insisted on confidence-building before adopting the nonaggression declaration. This is the position that South side has been citing as a reason for refusing to adopt the nonaggression declaration.

Our opinion, however, is: What is confidence? What is the cause of mistrust? As we have been saying from the beginning, the mutual fear that one side may attempt to swallow up the other, that one side may strike the other side, is the source of mistrust.

In practice, the South has been referring to the threat of southward invasion for decades. It is true that we also constantly feel the threat of northward invasion. Then, is there any reason why we should postpone the removal of such fear? There is no need to do so.

We held that we should simultaneously push for a nonaggression declaration, which serves as the core factor for creating trust, with the issue of exchange and cooperation.

We should not merely go sight-seeing, nor should we engage in joint development of tourist resorts and trade, as seen between the two countries. In other words, we should not go through the situation of normal development of relations, as if relations between a nation and another nation. Our nation's situation is clearly different from this.

The basis for the South side's call for trust first and nonaggression next is that a nonaggression declaration is merely a piece of paper. Besides, the South side insists that the will for practical action is required. In other words, the South side's assertion is that under the practical conditions where the other side is not recognized and there is no desire for and means of guarantee, the nonaggression declaration is of no use.

The declaration of nonaggression, reconciliation, and cooperation between the North and the South which we proposed is not what was merely talked about between the two sides. In other words, this declaration is a confirmation of each side's desire for practical solutions before 70 million fellow countrymen and the entire world. We think that nothing can better express the will for practical action than this.

If one regards the nonaggression declaration as a piece of paper and does not trust it, how can one trust us even if the agreement on improving the North-South relations is adopted?

In other words, no agreement can be adopted between us. The nonaggression declaration includes sufficient measures for guarantees and insurance. We can dare say that this is absolutely not merely a piece of paper.

Frankly speaking, there are no practical steps for guaranteeing nonaggression in the South side's draft of a nonaggression declaration. In other words, it maintains that a nonaggression declaration should be effective while continuously maintaining enormous armed forces by both sides. This is indeed the same as a piece of paper.

We have clearly included such steps of guarantee in the provisions of the nonaggression declaration.

The next issue is that one cannot adopt anything unless the other side's entity is recognized. As for the issue of recognizing the other side's entity, we think that there is something which should be corrected before the South side puts forward this issue.

Article 3 in Chapter I of the Constitution of the Republic of Korea prescribes that the entire Korean Peninsula and islands around it are the territories of the ROK.

Article 4 prescribes that the ROK pursues the reunification policy based on liberal democratic system. What does this mean?

This clearly means denial of existence of the other side. There is a law called the special ordinance for the five provinces in the North. All this clearly denies the entity of the North.

However, the South side urges us to recognize its own existence. This is indeed unreasonable.

What we have felt throughout the current talks is that the South side appears to be sliding backward. Therefore, we now have doubts as to future talks.

We have clarified progressive, forward-looking principles to resolve the military and political issues and the issue of exchange and cooperation. On the contrary, the South side is merely advancing the line of exchanges. This is what makes us feel regret.

As I mentioned earlier, we are under the impression during the third round of talks that he South side is clearly returning to the original point of the first round of talks. Besides, the South side appears to decline to mention nonaggression and to oppose even the use of this word.

At the talks, we also felt that as the talks went on, although the talks are only in the third round, the South side is returning to its old, slanderous attitude, namely confrontation amid dialogue. Such an attitude is seen not only in the North-South high-level talks but also in the Red Cross talks.

As everyone knows, the South side proposed the second round of working-level Red Cross talks, and these talks were held with our agreement. However, the talks have vanished. At this point, I will not call anyone to account for this.

As for the 90 reunification music festival, our side proposed a 50-member art troupe to go to the South side. However, the South side, without consultation with the relevant hosting organization, said that since this organization insists on a 30-member troupe, the number of members cannot be increased.

In fact, no consultation was made with the relevant hosting organization in the South. We confirmed this after we came here. Why should the visit of so many people be blocked, and why should the working-level Red Cross talks be suspended? We must express our regret of all this.

Furthermore, what makes us somewhat embarrassed is the fact that delegates of the South side's headquarters for promoting a pan-national conference for reunification were arrested and imprisoned on charges that they met with the figures of the North side in Germany and discussed the reunification issue with them.

These people were arrested and imprisoned again after Rev. Mun Ik-hwan was released. If such a vicious cycle repeats itself, how can we expect progress?

Why do we make an issue of this? We are not trying to make remarks interfering in domestic issues of the South side. If one is imprisoned on the charge of meeting with figures of the North, where should the people in the North go? We should ponder this first.

This is clearly a policy of antagonism against the North. This was not prompted from the position of regarding the North as the partner. Viewing all this, we can say that the South side is moving backward in many aspects instead of showing a progressive position.

Such urgent questions as nonaggression declaration, reconciliation, and cooperation must be resolved without delay and as soon as possible for the future of the North-South high-level talks, for the development of

North-South relations, and for laying a foundation for peace. No one should avoid this.

I noted this morning that in a departure statement, President No said that the danger of war has persisted on the Korean peninsula for 40 years and that he will strive to end the cold war relations between the North and the South.

If his remarks are true, why can't we discuss and resolve the issue of ending cold war relations between the fellow countrymen and the issue of ensuring peace between the North and the South, and why should we put off such issues even while discussing them with foreign people? We do not believe that this is right.

Thus, we put forward a new proposal. We stressed that if the South side has anything to add or eliminate from our declaration of nonaggression and declaration for reconciliation and cooperation—an intensive collection of three documents put forward by both sides—considering that these declarations have problems, we will reflect all of the South side's opinions.

Furthermore, we stated that we are ready to include even the provisions included in the basic agreement on improving North-South relations, which was put forward by the South side, in our declarations, if necessary. Thus, we proposed an agreement on combined documents.

However, this issue has not been settled up to this point. We, the delegates to the North-South high-level talks, are ashamed of having failed to meet the expectations of 70 million fellow countrymen.

There were no agreements reached on any topic. However, we agreed to hold the fourth round of talks in Pyongyang from 25 to 28 February next year.

Members at Talks Hear Reunification Concert

SK1212172190 Pyongyang KCNA in English 1646 GMT 12 Dec 90

[Text] Seoul December 12 (KCNA correspondent)—The Pyongyang National Musical Troupe and the traditional musical group of the South side gave a special performance at the "National Theatre" in Seoul today for the two sides' delegations to the third inter-Korean high-level talks.

Present to see the performance were the members of the North side's delegation headed by Premier Yon Hyong-muk, the suite members and reporters.

Also seeing the performance were the members of the South side's delegation with "Prime Minister" Kang Yong-hun as the chief delegate and the suite members.

The performance was divided into two parts.

The traditional musical group of the South side performed in the first part.

The Pyongyang National Musical Troupe performed in the second part.

Singer Paek Sun-hui of our side, in her address before the performance, expressed the hope that the delegates of the North and the South to the high-level talks would bring excellent fruits by carrying to the conference room the fervor of reunification overflowing the theatre today.

The artistes from Pyongyang were enthusiastically acclaimed by the audience when they saw on stage the female folk song solo "Yangsando," the female folk song trio "Singosan Taryong," the male folk song solo "Song of Rivers and Mountains" and other colorful numbers.

When the performance ended, the theatre rocked with the shouts of the audience and the artistes: "national reunification," "national reunification."

South Denounced for Actions at Concert

SK1212075590 Pyongyang Domestic Service in Korean 1300 GMT 11 Dec 90

[Text] Our Pyongyang National Music Troupe yesterday held the 2d joint performance of its traditional concert for reunification seeing the year 1990 out at the National Theater in Seoul.

We hope that this music concert will contribute to national reconciliation and unity and to the cause of reunification.

However, the South side's persons in authority, who have frequently babbled about the principles of noninterference by the authorities regarding civilian exchanges, do not hesitate to engage in activities to the contrary. This is clearly shown by the fact that the South side's authorities perpetrated the suppression of barbarously taking away Mrs. Kim Chong-un, mother of Yim Su-kyong, flower of reunification, who bought a ticket and was sitting in the theater to watch the performance of our Pyongyang National Music Troupe.

With the mobilization of approximately 100 agents of the Agency for National Security Planning [NSP], they perpetrated such a barbarous activity, just because Mrs. Kim Chong-un met with our reporters and artists in the theater.

The NSP rascals wantonly beat and kicked at Mrs. Kim Chong-un, who was trying to watch the performance. Still worse, they pulled her to the ground, and were violent to our reporters who protested such activities.

And, they took off their coats to cover our reporters' cameras, preventing our reporters from taking pictures of the scene of their atrocities. They tried to rush at our side's liaison officials to commit violence.

This shows that the forces of the Sixth Republic stopped being human beings and became wild beasts.

The South side's persons in authority took away youths who stood up and said "Thank you, thank you" as they applauded, when the artists of our National Music Troupe finished their performance. They are now frightened and are going crazy even at the voice of reunification.

As we know, a responsible person in the South side's NSP watched the performance of our music troupe from a back room. In a way, he directed from the scene itself the arrest and removal of the people brimming over with desire for reunification.

Further Report on Lack of Etiquette

SK1312073390 Pyongyang KCNA in English
0510 GMT 13 Dec 90

["Splittists' Brutal Outrages"—KCNA headline]

[Text] Pyongyang December 13 (KCNA)—The South Korean authorities Monday walked away in a brutal manner Kim Chong-un, mother of Yim Su-kyong, "the flower of reunification," who went to the theatre to see a performance of our Pyongyang National Musical Troupe.

The South Korean authorities committed brutal outrages against Kim Chong-un for the mere reason that she met with us. This is an unpardonable challenge to the national desire for reunification and a high-handed violation of freedom and human rights, says NODONG SINMUN today in a signed commentary. The news analyst notes:

The South Korean authorities savagely beat and walked away those who met with us under our very nose after inviting us as guests. This is not only a hostile act, but also an open challenge to us. This is also a deliberate act of treachery and intolerable anti-national crime throwing a wet blanket over the atmosphere of North-South dialogue and exchange, national reconciliation and unity.

They fully revealed by their own acts that "reconciliation," "exchange and cooperation," "confidence-building" and the like on their lips up to now are a sheer false advertisement to deceive people and public opinion at home and abroad.

Their brutal outrages against Yim Su-kyong's mother and the North side's reporters who protested it clearly showed once again their criminal nature as ignorant gangster group without etiquette towards guests and the darkness of the South Korean society where fascist sword-brandishing holds sway.

South Hosts Dinner for North Musicians

SK1212165290 Pyongyang KCNA in English
1636 GMT 12 Dec 90

[Text] Seoul December 11 (KCNA correspondent)—Hwang Pyong-ki, executive chairman of the "traditional concert for reunification seeing 1990 out" of the South side on December 11 gave a dinner for the Pyongyang National Musical Troupe.

Hwang Pyong-ki said in his speech that the current "traditional concert for reunification seeing 1990 out" is not a mere festival but a festival of national concord in the form of a concert and a festival demonstrating the will for reunification.

Head of the Pyongyang National Musical Troupe Song Tong-chun, vice-chairman of the central committee of the Korean Musicians Union, spoke next.

Recalling that musicians of the North and the South gave two performances, singing on the same stage beautiful songs peculiar to the Korean nation and bringing great pleasure to the fellow countrymen, Song Tong-chun said: The chorus of the musicians from the North and the South must have further convinced the audience of the future of a reunified country.

Nothing is worthier and prouder for our musicians of a divided country than to give hope for reunification and joy to the fellow countrymen.

Let us all pool strength and frequently hold such concert so as to live up to the expectations of the fellow countrymen.

Committee Head Hosts Dinner

SK1312060290 Pyongyang KCNA in English
0442 GMT 13 Dec 90

[Text] Seoul December 12 (KCNA correspondent)—Song Kyong-nin, chairman of the south side's promotion committee for the "traditional concert for reunification seeing 1990 out", hosted a dinner today for the Pyongyang National Musical Troupe.

Song Kyong-nin made a speech there.

Then Song Tong-chun, vice-chairman of the C.C. [Central Committee], the Korean Musicians Union and head of our side's troupe spoke at the dinner.

The unity of the nation and the reunification of the country is the most urgent issue facing our nation at present, he noted, and said: Without this, the prosperity and happiness of the nation and the unified development of the national music cannot be hoped.

We named the current concert the traditional concert for reunification and songs sung by us gave great pleasure to the fellow countrymen as songs of the nation and songs of reunification, which can be considered as a reflection of the nation's urgent desire of reunification, he said.

We should sing louder more songs of reunification in the future, too, he added.

Pyongyang Troupe Departs Seoul

SK1312060190 Pyongyang KCNA in English 0451 GMT 13 Dec 90

[Text] Seoul December 13 (KCNA correspondent)—The Pyongyang National Musical Troupe left Seoul today after participating in the "traditional concert for reunification seeing 1990 out".

Head of our side's troupe Song Tong-chun made public a statement upon leaving Seoul.

In the statement he, first of all, extended warm greetings to the citizens of Seoul and musicians, public figures and compatriots of all walks of life in South Korea who met with cordial kindred feelings and accorded hospitality to our national musical troupe everywhere it went.

The statement said that while staying in Seoul the members of the troupe were able to share part of the shining achievements of the national music of chuche that has effloresced and developed in the Northern half of the country with the compatriots in the South through three performances and, at various functions including the art performances, have the joy of meeting with musicians of the South and exchange views and experiences with them on the questions arising in the uniform development of national music.

The songs of reunification, the patriotic songs sung in chorus by musicians of the North and the South on the stage of the "traditional concert for reunification seeing 1990 out", it stressed, fully demonstrated to the world people that our country, our nation and our national music is one, though the land remains divided by outside forces, and the heart of our fellow countrymen for the reunification of the country is one and no force can crush their ardent desire and will for reunification. The reunification musical festival further deepened the feelings of kinship between the compatriots in the North and the South and gave fresh strength and hope to all the fellow countrymen who have turned out in a grand march for reunification in the 90s, thereby greatly helping toward the promotion of the cause of national reunification, the statement stressed, and added:

The musicians in the North and the South should further consolidate and develop the achievements and experiences gained in the pan-national concert for reunification in Pyongyang and the "traditional concert for reunification seeing 1990 out" here and actively contribute to the cause of national reunification with excellent national music.

Leaving Seoul the troupe regrets at the fact that the South side's authorities have not yet released the South side's delegates to the Berlin tripartite working-level talks, though it demanded this as it said upon its arrival in Seoul, and it could not show its performance to Rev. Mun Ik-hwan and other people who had visited the North and it hopes that there would be no more such a thing in future.

'Anticommunist Commotions' in Seoul Assailed

SK1312062490 Pyongyang Domestic Service in Korean 0400 GMT 13 Dec 90

[Text] Mean anti-reunification and anticommunist commotions have taken place in Seoul, designed to dampen the fervor for reunification that has grown among the people just when the third North-South high-level talks and the year-end music festival for reunification are being held. This arouses indignation among the people. It is said that when our side's delegation to the North-South high-level talks entered Seoul on 11 December, sound vans drove ahead of the delegation's motorcade and blared that the citizens must not come out to the streets and that if they did, they were not to welcome or wave at the North side's delegation.

Moreover, starting at 0600 yesterday morning, sound vans that were mobilized by an agency appeared on streets near the Shilla Hotel where our delegation was staying and prowled about as if they were mad. Sound vans blared that people must not be deceived by communism. This frantic accusation penetrated the neighborhood through the dawn air. This evil propaganda was so frantically conducted that all the members of our delegation who fell asleep at dawn after working well into the night woke up. Our delegations have suffered all sorts of provocations for almost 20 years when North-South dialogue was being held. However, we have never suffered such a frantic provocation. When our side lodged a strong protest, the South side's responsible liaison official resorted to pretense and said that this is an unexpected incident. He said that this is the work of anticommunist ultrarightist elements. This is not an incident of that nature. If the South side's authorities, who have thousands or tens of thousands of policemen constantly on alert, intended to promote a favorable atmosphere for the talks, they could have prevented the so-called ultrarightist elements from running amok. All the facts show that the South side's authorities participate in dialogue which they do not like and are dealing with us, while still hiding daggers. The South side's authorities must stop their reckless provocations and apologize to our side for the provocations as demanded by our side. The South Korean people will never forgive those who arouse enmity, who inspire confrontation, who are building artificial obstacles to dialogue, and who oppose reunification.

ROK Press Condemned for Abusing Peace Proposal

SK1312062690 Pyongyang KCNA in English 0459 GMT 13 Dec 90

["Rash Act of Spoiling Dialogue Atmosphere"—KCNA headline]

[Text] Pyongyang December 13 (KCNA)—NODONG SINMUN today comes out with a commentary of its press corps from Seoul, which deals with the fact that HANGUK ILBO, CHUNGANG ILBO, TONG-A ILBO, and other newspapers and radios in Seoul on

December 11 hurled abuses at the DPRK's just proposal for peaceful reunification, insulting its social system.

This is an intentional, premeditated act designed to get on the nerves of the dialogue partner and thus spoil the atmosphere of the dialogue and aggravate the North-South relations, and it is an extension of the anti-reunification posture the South Korean authorities have taken at the North-South negotiating table, the commentary says, and goes on:

The South Korean rulers provoked us by speaking ill of our social system, and this only suggests that they have no intention to seek a negotiated settlement of peace and peaceful reunification of the country.

The South Korean rulers pursue in their smear campaign against the North a criminal aim to depreciate the might of the socialist system in the northern half of Korea where the leader, the party and the masses are united with one mind and thus to throw a wet blanket over the South Korean people's desire for alliance with communism, alliance with the North and reunification and goad them on to North-South confrontation.

No matter how impudently they may get into mischief with such a fictitious story they can neither do anything with the socialist system of the Northern half of Korea, nor can they tone down the people's demand for reunification through alliance with communism and prevent the North and the South from being reunified.

The South Korean rulers must refrain from their acts of provocation against reunification and show sincerity in the dialogue for reunification in keeping with the desire of the fellow countrymen.

Envoy to PRC Denounces No Tae-u's Soviet Visit

SK1212090290 Pyongyang Domestic Service in Korean 2200 GMT 11 Dec 90

[Text] On 10 December, a press conference was held in our country's embassy in China in connection with the Soviet junket by the person in authority in South Korea.

In attendance at the press conference were reporters of RENMIN RIBAO, XINHUA News Agency, and Central Broadcasting Station in China.

At the press conference, Chu Chang-chun, our country's ambassador to China, made remarks. He said that an unprecedentedly scandalous event in which diplomatic relations were bought and sold with dollars between the Soviet Union and South Korea took place, and this event is still vivid in the memory of the world's people. It is reported that South Korea's No Tae-u will make a junket to the Soviet Union in mid-December upon an invitation. His forthcoming visit is, in essence, a flunkeyist nation-selling junket for division, and is part of the undisguised anti-peace, anti-reunification, and anti-Republic maneuvers. He noted that No Tae-u is going to make a junket to the Soviet Union at a time when the North-South high-level talks, which are designed to open the road for peace on the Korean peninsula and its reunification, are underway amid great interest and expectations at home and abroad. He denounced No Tae-u's junket as an act running counter to the aspirations of 70 million Korean compatriots and to expectations of the peaceloving people of the world.

The ambassador revealed that one of the major purposes No Tae-u is pursuing in the Soviet junket is to realize South Korea's unilateral entry into the United Nations by all means by winning Soviet support. He stressed that No Tae-u's desperate attempt for unilateral entry into the United Nations by taking this issue outside, instead of striving to resolve the issue on measures for the United Nations between the North and the South, cannot be construed as anything other than a premeditated act to break North-South dialogue. He said that the Soviet junket by the person in authority in South Korea shows that according to the basic Korean strategy of the United States, he is attempting to push on full scale for the formation of tripartite relations of collusion among the United States, the Soviet Union and South Korea against us.

Chu Chang-chun revealed that No Tae-u is trying to find a way out of serious political and economic crisis and to realize his ambition for long-term power by improving his image, even a little, by carrying such a big nation as the Soviet Union on his back. He stressed that No Tae-u's Soviet junket will only increase his indelible crimes before history and the nation and expedite his own isolation and downfall.

Paper Terms Socialism 'Superior' System

SK1012073390 Pyongyang KCNA in English 0439 GMT 10 Dec 90

[Text] Pyongyang December 10 (KCNA)—NODONG SINMUN December 9 carried a by-lined article titled "Our Socialism is Superior Social System Which Brings People's Consciousness Into Full Play".

The article quotes dear Comrade Kim Chong-il as saying:

"Our socialism brings into full play the consciousness of the people, conscious social human beings."

The article says:

Socialism gives full scope to the consciousness of the people. In a nutshell, it means that this society enhances the role of ideological consciousness. In other words, in this society the people live and conduct activities with a high degree of ideological consciousness.

In our country, the role of ideological consciousness is markedly raised and everything is decided by the role.

Socialism of our country is a society which gives full scope to the consciousness of the people, the society which enhances the role of ideological consciousness, first of all, because our people are guided by the great chuche idea.

The chuche idea is the great idea that most correctly reflects the demand and interests of the people. It is the perfect revolutionary doctrine that makes the people full-fledged master of the world and their own destiny by thoroughly transforming the nature, society and people in conformity with the social nature of human beings who want to live and develop independently. The revolutionary doctrine also indicates the way for eternal happiness and prosperity of mankind.

Our socialism is a society which brings the people's consciousness into full play also because the ideological revolution is now being vigorouslv carried on in our country under the leadership of the party.

In the course of this revolution the revolutionary spirit of chuche is running high throughout the society.

Our people know no other idea except the chuche idea. They think and act as indicated only by the chuche idea. So, all the moves of the imperialists and reactionaries to infiltrate the bourgeois ideology into our society have been smashed and our socialism has fully displayed its vitality.

The ideological revolution is an undertaking for human remoulding, an undertaking for making the working people chuche-type revolutionaries by fully arming them with the chuche idea and, at the same time, political work for enhancing their revolutionary zeal and creativity.

Our socialism is a society which gives rein to the people's consciousness also because all aspects of life in the society requires the people to live independently and creatively.

The socialist life of ours which requires the people to live independently and creatively gives full play to our people's consciousness of independence.

The examples of loyalty to the party and the leader, the traits of helping and leading each other forward and the examples of devoted services for the performance of the revolutionary tasks which have been displayed among our people are propagandized and generalized with great influence. This reality clearly proves to what extent our socialist life enhances the ideological consciousness of the people.

KCNA Reviews 13 Dec Pyongyang Press

SK1312074690 Pyongyang KCNA in English 0515 GMT 13 Dec 90

[Press review]

[Text] Pyongyang December 13 (KCNA)—Dailies here today carry a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to Comrade Kaysone Phomvihan, general secretary of the Central Committee of the Lao People's Revolutionary Party and premier of the Lao People's Democratic Republic, on the occasion of his 70th birthday.

Dailies inform the readers that foreign mass media reported about answers given by the great leader President Kim Il-song to questions raised by the president of the Nepal Journalists Association.

Given in NODONG SINMUN is an account of meetings held in different places of the country to carry through the recent teachings of President Kim Il-song.

Under the headline "President Kim Il-song is the great leader with outstanding leadership ability" the daily says that the minister of agriculture and animal resources of Guinea spoke highly of him.

A Tanzanian newspaper carried the work of dear Comrade Kim Chong-il "The Workers' Party of Korea Organizes and Guides All the Victories of Our People", according to the press.

MINJU CHOSON tells a story that Comrade Kim Chong-il has wisely led the officials to actively conduct the technical innovation movement by mobilizing the strength of the masses in all sectors of the national economy. The book "Kim Chong-il, the Star Shining Over the World" came off the press in Pakistan, says the press.

A NODONG SINMUN article deals with the high sense of responsibility for revolutionary tasks displayed by commanding officers of the Korean People's Revolutionary Army during the anti-Japanese armed struggle.

The daily editorially calls for fully establishing fine communistic traits in the whole of society.

Econews of the press includes reports that work is being hastened in rural communities of north Hwanghae Province to spread humus soil over fields and assignments for this year have been overfulfilled in various domains of the national economy.

Seen in the press are an account of the first-day session of the third North-South high-level talks and the keynote speech made by Premier Yon Hyong-muk, head of the North side's delegation, there.

It is reported in the press that the Pyongyang National Musical Troupe and the traditional musical group of the South side gave a special performance for the two sides' delegations to the North-South high-level talks and the chairman of the promotion committee for the "traditional concert for reunification seeing 1990 out" arranged a dinner for the Pyongyang National Musical Troupe. Also conveyed in the press is what South Korean people said after seeing the performance of the Pyongyang National Musical Troupe.

Direct satellite communications link-up between the DPRK and Japan was opened officially on December 11, says the press.

According to NODONG SINMUN, paddlers Kim Song-hui and Kim Kuk-chol took the men's doubles title at the 10th Asian table tennis championships.

Carried in the daily are statements of party and government heads of different countries, international organisations and public figures expressing full support to the five-point policy for national reunification advanced by the DPRK.

Functionaries of various organisations of the General Association of Korean Residents in Japan (Chongnyon) issued statements to the press denouncing the crimes of the South Korean authorities in arresting the delegates of the South side who had participated in the Berlin tripartite working-level talks of the pan-national alliance for reunification, says the press. Papers run commentaries denouncing newspapers and radios in Seoul for slandering our social system and just proposals for peaceful reunification.

In a commentary, MINJU CHOSON condemns the anti-reunification posture taken by the South side at the first-day session of the third North-South high-level talks.

NODONG SINMUN brands the South Korean authorities' beastly whisking away of Yim Su-kyong's mother Kim Chong-un who went to the theatre to see a performance of the Pyongyang National Musical Troupe as an unbearable challenge to the ardent desire of the nation for reunification and flagrant violation of freedom and human rights.

The head of the delegation of Trinidad and Tobago who had participated in the Pyongyang festival demanded the release of Yim Su-kyong, according to the daily.

Appearing in the press is a telephone message sent by the acting chairman of the Central Committee of the Red Cross Society of the DPRK to the South Korean Red Cross president.

Taking space in NODONG SINMUN is an account of the aerial espionage act committed by the U.S. imperialists against the northern half of Korea.

"It is the demand of the times to put an end to 'Team Spirit' War Games" is the title of a MINJU CHOSON article.

War and army veterans of the Soviet Union criticized the crisis of the country, says the press.

NODONG SINMUN informs the readers that a resolution on prohibiting development and production of new mass-destruction weapons was adopted at the United Nations General Assembly.

The press reports that the U.S. imperialists scheme to arm NATO member states with uptodate military equipment and the situation in the Gulf is being further aggravated owing to the arms buildup of the U.S. imperialists.

NODONG SINMUN runs an article entitled "The Danger of War Must be Removed From the Korean Peninsula."

South Korea

President No's Visit to Soviet Union Previewed

No Delivers Departure Speech

SK1312055890 Seoul KBS-1 Television Network in Korean 0230 GMT 13 Dec 90

[Speech by President No Tae-u at Seoul Airport delivered prior to his departure for the Soviet Union—live]

[Text] My dear fellow countrymen: I am about to leave for Moscow for an official visit to the Soviet Union at the invitation of President Gorbachev.

More or less 10 hours of flying will take us, my group and myself, to Moscow. Our fellow countrymen have had to endure decades of treacherous waves of history before sending an ROK president to the Soviet Union.

I have opened a road to the northern world and now I am on my way to Moscow. In my visit to the Soviet Union, people will sense with deep emotion the enormous changes we have gone through.

My dear fellow countrymen: A visit to the Soviet Union by a ROK president, the first ever in history, shows that even on the Korean Peninsula, the cold war period has given way to a new era.

The invasion of our country by imperialist forces at the outset of the current century led to the severance of relations between Korea and the Soviet Union, and it was followed by the beginning of the cold war confrontation at the end of World War II.

My visit to the Soviet Union will serve as a historic opportunity of opening an era of friendship after overcoming the 86 years of distanced relations between Korea and the Soviet Union and the unfortunate past.

We went through a tragedy of witnessing our country and people divided at one stroke, and the pain caused by the division still continues.

Over the past 40 years since the war that submerged the whole country in a sea of fire, we have had no choice but to lead an uneasy life, under the constant threat of war. All these are the sufferings the cold war situation have brought to our fellow countrymen and they have something to do with our relations with the Soviet Union.

The road to friendship and cooperation between us and the Soviet Union is directly linked to the road opening the era of peace and reunification on the Korean Peninsula.

I expect several meetings with President Gorbachev in the course of summit talks in the Kremlin.

President Gorbachev and I will mainly discuss the issues of putting an end to the cold war on the Korean peninsula and achieving peace and reunification, groping toward ways for joint effort.

I will make my trip to Moscow a significant first step on the road of freeing the whole fellow countrymen from fear of war and the road toward reunification.

My visit to the Soviet Union will cause the waves of reconciliation and cooperation with which the world is filled to reach Northeast Asia and serve as a starting point in breaking up the outdated framework of disputes, confrontation, and hostility. It will serve to establish a new order in which to cooperate for peace and prosperity.

Fellow countrymen: The airplane which will carry our party today will enter the wide territory of the Soviet Union about an hour after it takes off here. The Soviet Union has a vast land, more than 200 times as large as ours, and enjoys abundant resources. With a potential population of 300 million, the Soviet Union represents a big market for us. It has advanced science and technology that we need.

We can supply various kinds of consumer goods and their production facilities to this country. Our enterprises are ready to actively participate, with deep interest and zeal, in the joint development of resources and the joint construction of roads and harbors in this country. There are boundless possibilities that our two countries can develop their cooperative relations. And the promotion in trade and economic cooperation between the two countries will be beneficial to prosperity of the two countries alike.

The exchange and cooperation between the two countries will be conducive to promoting mutual understanding between the people of the two countries in all fields: cultural, artistic, and academic.

My visit to the Soviet Union this time will firmly deepen tbe foundation for developing on a continuous basis friendly and cooperative relations between the two countries.

Although my visit is a short one of three nights and four days, I will meet leaders from various fields of the Soviet Union who have brought epochal changes to the world as well as to this country. I will visit Leningrad, a historic city of this country, and, there, I will have the opportunity to tell young generations of the Soviet Union and the Soviet people from all walks of life how and under what adverse conditions we have built today's ROK and how ardent our desire for peace and reunification is. I will also meet our compatriots in the Soviet Union who have endured the bitter things of life and convey our people's warm greetings to them.

Fellow countrymen: The Soviet Union is now in the midst of gigantic waves of reform for changing the 70 year-long one-party system. Perestroyka is changing the Soviet Union into a new country with the foundation of a market economy and pluralistic society. Europe, by pulling down the wall dividing the East and the West, is establishing the order of peace under one Europe.

With the achievement of Germany's reunification, we are left as the only divided country in the world. We have opened a new chapter of independent diplomacy amid such epochal changes.

At a time when we are undergoing changes, when the relations between us and the Soviet Union are undergoing changes, and when the world undergoes changes, the relations between the North and the South on the Korean peninsula cannot help but change.

We have come to a decisive time of change in the state of division on the Korean peninsula. Therefore, my visit to the Soviet Union this time will become a turning point in expediting peace and reunification on this land.

I extend my thanks to all people who encourage my visit to the Soviet Union. Thank you.

Editorials Hail Visit

SK1312091590 Seoul YONHAP in English 0817 GMT 13 Dec 90

[Text] Seoul, Dec. 13 (OANA-YONHAP)—Leading South Korean newspapers hailed President No Tae-u's visit to the Soviet Union as an historic event Thursday and said it could change the political climate on the Korean peninsula and in northeast Asia.

In editorials appearing on the day of No's departure on the first Soviet trip by a South Korean head of state, they said the nation's hopes were riding on the "Moscow declaration" to be issued by No and Soviet President Mikhail Gorbachev.

They emphasized the need to open up and heal the wounds of the past, mainly Soviet responsibility for the 1950-1953 Korean war and the 1983 shooting down of a Korean jetliner in which all 269 aboard perished.

The papers (the TONG-A ILBO and the CHUNGANG DAILY NEWS, both independent, conservative afternoon dailies, and the CHOSON ILBO, a morning paper, also independent and conservative) counseled prudence in economic cooperation with the Soviet Union because of the shift in Korea's trade balance to a deficit with the rest of its trading partners.

It is important for No's Moscow visit to address and resolve the painful events in the history of the two nations and to set a realistic scale and speed for economic cooperation appropriate to South Korea, they said.

"Within just six months, Seoul-Moscow relations have made leaps from a summit to diplomatic normalization and now to a new stage of cooperation through President No's visit," wrote the influential CHUNGANG ILBO. "The event is not only unprecedented and historically symbolic, but carries important weight in bringing stability and reunification to the Korean Peninsula.

"Based on these lines, expectations are high that the Soviet role in the outbreak of the Korean war and shooting down of the Korean air plane be explained and resolved," said the daily in an editorial, titled "Omni-Directional Diplomatic Era With Priority on Actual Profit."

"The Soviet Union, one of the major forces behind Korea's division and consequent tensions between South and North Korea, is now changing its role to that of a stabilizing force. We want to witness through President No's visit how strong Moscow's commitment is to making the transition," the paper said.

"We realize that behind Moscow's approach lie its domestic problems and it aims at easing its economic plight through this rapprochement."

Economic links with the Soviet Union mean a new trade partner and exploration of a new market, CHUNGANG said, welcoming opportunities for joint ventures.

"The problem lies in how we control the scale and speed... Recent reports say South Korea will supply 2.5 billion to 3 billion U.S. dollars to the Soviet Union," the paper said. "We believe that a thorough review is in order on whether such large sum is appropriate at a time when the country is witnessing a trade deficit."

The TONG-A ILBO, cautioned in its editorial against over-zealousness, saying: "There shouldn't be any promises made in the first place that are beyond one's capacity to keep.

"Criticisms may well arise against South Korea's promised economic cooperation with the Soviet Union, but the promise can also be termed 'an expense for peace' because the icy tension on the Korean Peninsula is that deep.

"The peace expense is a political expense, spent on bringing peace, and at the same time an investment for economic development for mutual benefit... But economic cooperation must be negotiated moderately, taking into full consideration the conditions and methods," said the editorial, titled "Korean National Flag in Moscow."

Furthermore, it said, pacification of the Korean Peninsula precedes any economic or technological issues and should deal with specific details.

"The joint Moscow declaration communique on bringing peace to the Korean Peninsula and northeast Asia should not be a symbolic gesture. Considering the influence the statement can exert on North Korea, it should embody concrete measures regarding the Korean Peninsula," the editorial said.

"We wish for Soviet cooperation in cutting back military support for North Korea and in convincing Pyongyang to sign the nuclear safeguards accord," it said. "Peace on the Korean Peninsula is directly linked to peace in northeast Asia."

The CHOSON ILBO expressed a wish that the visit above all serve to appease the painful memories of past relations.

"The roots of the hard sentiments can be traced to 40 years ago, when the Soviet Union ignited the fire that led to the catastrophic fratricidal Korean war and to the shooting down of a commercial passenger plane just seven years ago by a Soviet jet fighter," said CHOSON in an editorial under the heading "Harmony of History and Actual Profit."

"Of course, these are all events of the past, and may not be the responsibilities of the Soviet authorities of the 'new era,' but we believe that in building a bright future for Seoul-Moscow relations, resolution of such past events is a mandatory prerequisite. Keeping these hard sentiments within ourselves can only hinder our future friendship," it said.

Also referring to reports of 2.5 billion to 3 billion dollars in aid for the Soviet Union, CHOSON cautiously wondered if such action were "appropriate."

"The reports, if true, mean unpaid sales in an equal sum to the country's trade deficit this year," the daily said.

"The fact that a country that only yesterday seemed to suffer from poverty can now help other nations is gratifying. But such actions, without any firm agreement for compensation, may well invite China and other East bloc nations to advance similar demands," CHOSON said.

USSR Nuclear Role Questioned

SK1212124390 Seoul YONHAP in English 1222 GMT 12 Dec 90

[Text] Seoul, Dec. 12 (YONHAP)—South Korea will ask the Soviet Union to withhold its plan to participate in North Korean projects to construct nuclear power plants until Pyongyang joins the safeguards agreement of the International Atomic Energy Agency (IAEA), officials at the Science and Technology Ministry said Wednesday.

Science and Technology Minister Kim Chin-hyon, who will accompany President No Tae-u on his visit to the Soviet Union, will deliver the request to the Soviet Government during his stay in Moscow. No will depart Seoul for Moscow Thursday to make a historic visit to the Soviet Union until Dec. 16.

The South Korean and Soviet Governments will sign an agreement on nuclear cooperation during the period.

It has been learned that the Soviet Union was considering supplying North Korea with four atomic reactors and relevant technology.

North Korea joined the Nuclear Non-Proliferation Treaty (NPT) in 1985 but has failed to sign the safeguards agreement, which is mandatory for an NPT signatory within 18 months.

Delegation Listed

SK1312021590 Seoul THE KOREA TIMES SUPPLEMENT in English 13 Dec 90 p 2

[Listing of Officials To Accompany President No Tae-u to Moscow 13 Dec 1990]

[Text] Choe Ho-chung, Foreign Minister

Pak Pil-su, Trade-Industry Minister

Kim Chin-hyon, Science-Technology Minister

Kong No-myong, Ambassador to the Soviet Union

Yi Hong-ku, Special President Political Assistant

Yi Hyon-u, Chief of Presidential Security Service

Kim Chong-ho, Chief of Naval Operations

Kim Chin-chae, Chief Secretary to DLP President

Kim Chong-in, Senior Presidential Secretary for Economic Affairs

Kim Chong-hwi, Presidential Assistant for Diplomacy and Security

No Chang-hui, Senior Presidential Secretary for Protocol

Yi Su-chong, Presidential Spokesman

Choe Kyu-wan, Presidential Physician

Pak Kon-u, Chief Protocol, Foreign Ministry

Na Won-chan, Chief of European Bureau, Foreign Ministry

Businessmen To Accompany No

SK1312022690 Seoul THE KOREA TIMES SUPPLEMENT in English 13 Dec 90 p 4

[Text] Top business leaders of the nation are accompanying President No Tae-u on his visit to the Soviet Union to pave the way for wider trade and economic cooperation with the communist superpower.

Major business [as published] hope to clinch deals with the Soviet Union on resource development, joint construction projects and supplying consumer goods during the President's historic visit to Moscow.

No is accompanied by such conglomerate leaders as Hyundai Group founder Chong Chu-yong, Samsung Group chairman Yi Kon-hui, Sunkyong Group chairman Choe Chong-hyon, Kolon Group chairman Yi Tong-chan and Ssangyong Group chairman Kim Sok-won, and Koryo Synthetic Fiber Co. chairman Chang Chi-hyok.

Chong of Hyundai, Yi of Samsung, Yi of Kolon and Kim of Ssangyong are already in Moscow.

On the presidential plane are Hyosung Group chairman Cho Suk-nae; Hanjin Group president Cho Chung-kon; Ku Pyong-hwoi, president of Lucky-Goldstar International Corp.; Yi Suk-hui, vice chairman of Daewoo Group; Kim Yong-won of Jindo.

Chong Chu-yong, honorary chairman of the Hyundai Group, is on his eighth trip to the Soviet Union this time.

The undisputed top business tycoon of the nation is being joined by his top aide Yi Myong-pak, president of Hyundai Resources Development Corp., in his discussions on efforts to develop the El'ginskoye coal mine and gas deposits in Yakutsk autonomous Soviet Socialist Republic and Sakhalin.

Chong has taken the lead in contacting Soviet government and business leaders for bilateral economic cooperation. It was Chong who invited to Korea Vadim Medveyev, a member of the Soviet Presidential Council, who delivered President Mikhail Gorbachev's invitation to No last month.

Both government officials and business leaders recognize Chong's contribution to opening the "sluice gate" for Korea-Soviet economic cooperation.

He is expected to seek to materialize several projects he has been promoting with the Soviet side.

Samsung's Yi Kon-hui makes his debut in the Soviet Union. The second-generation owner of the group has entrusted business with the Soviet Union to Sin Hyon-hwak, chairman of Samsung Trade Co. and former prime minister, and Yi Pil-kon, president of the company, so far.

Yi, according to business sources, is determined to see with his own eyes conditions for his group's projects during his visit.

Samsung wants to conclude talks on supplying color television sets and other electronic appliances and plants, and to sign an agreement to import Soviet technology in the fields of ultramodern materials, chemistry and aviation.

He also plants to check the progress in the maintenance work and operation of Sports Hotel in Moscow.

The joining of Sunkyong chairman Choe Chong-hyon and Ssangyong leader Kim Sok-won in the presidential trip is received as "meaningful" in some respects in business circles.

In fact, the two business leaders have taken a somewhat "passive" attitude to start business in the Soviet Union.

However, the Sunkyong Group is said to have conducted a thorough "basic survey" of projects in the Soviet Union. So, there is a high possibility of the group starting business there with Choe's visit this time providing momentum, business sources observed. Choe has his son married to President No's daughter.

Kim of Ssangyong is expected to seek to participate in various construction projects in the Soviet Union, the sources said.

Sunkyong and Ssangyong opened branch offices in Moscow this year.

Yi Tong-chan of Kolon Group visited Moscow in October to attend a ceremony to open his company's branch office there. He has on many occasions told presidents of the group's affiliated firms to pay special attention to projects in the Soviet Union.

Lucky-Goldstar is to advance negotiations on exporting washing machines and other home appliances, syringes and other medical items, and related plant as well as joint ventures.

The group will also seek progress in talks on the construction of a business center on Garibaldi Prospekt in Moscow.

Daewoo, which sends its second-man Yi Suk-hui on behalf of chairman Kim U-chung, will wind up discussions on a hotel to be built in Moscow and a joint venture, tentatively named Ioffe-Daewoo Technology, to be set up in Leningrad early next year.

The company will be co-founded by Daewoo and Ioffe Physici-Technical Institute in Leningrad.

Daewoo will also seek contracts to export $1 billion worth of textile, electric and electronic goods and plant.

Kim Yong-won of Jindo, a world-famed fur company, is expected to sound out the possibility of another investment, while checking the operation of his firm's factory which opened in the Soviet Union recently.

Major business groups plan to send their branch chiefs in Frankfurt, Paris, London and in other European cities to Moscow for full-fledged reconnaissance of markets in the Soviet Union on the occasion of the President's visit.

More on Business Goals

SK1112063390 Seoul YONHAP in English 0550 GMT 11 Dec 90

[Text] Seoul, Dec. 11 (YONHAP)—Two small businessmen will be looking for a big deal when they accompany South Korean President No Tae-u to Moscow for his summit with Soviet President Mikhail Gorbachev on Thursday.

Sources said Tuesday that the heads of Samsun Ind. Co. and Hong Chung Corp. hope to sign contracts worth 15 million U.S. dollars with companies in Krasnoyarsk, Central Siberia, and the Far Eastern Special Economic Zone of Vostochniy.

This signals the first active participation of small- or medium-sized Korean firms in Korea-Soviet economic cooperation, which has been monopolized by big businesses, and indicates the upbeat mood created by an agreement on investment protection.

Samsun, an auto parts firm, plans to set up a joint venture for the production of aluminum wheels in partnership with Krasnoyarsk Metallurgical Factory. The joint venture won final approval from the two governments early this month.

Samsun will put up 31 percent of the 6.2 million dollars capital and spend another 9.65 million dollars getting the project off the ground.

The Korean firm will also supply 6 million dollars of plant for the factory, which will begin turning out 30,000 aluminum wheels a month in January 1992. The equipment will be shipped to the site from June to August next year.

Hong Chung, a trading and engineering company, has initialed a contract with the Merchant Marine Ministry for the construction of facilities for unloading coal at Vostochniyy Port and it is to be signed during No's visit.

The facilities, construction of which will cost 5.13 million dollars, will be able to process 6,000 tons of coal an hour when completed next year. The ground is to be broken in January.

Earlier this year, Hong Chung set up the computer programming firm Hong Chung-Khabarovsk in a joint venture with the provincial government of Khabarovsk and has sold 300 computers for 600,000 dollars.

Trade Center Construction Detailed

SK1212013590 Seoul THE KOREA HERALD in English 12 Dec 90 p 6

[Text] The construction of a Korea trade center in Moscow will start on an area of 18,000 pyong (about 60,000 sq. meters) next March, sources at the Lucky-Goldstar Group said yesterday.

The project to cost $300 million will be undertaken under a 50-50 joint venture between Seoul and Moscow.

The construction schedule will be finalized by Yi Son-ki, president of the state-run Korea Trade Promotion Corp. and Moscow Mayor G. Popov during President No Tae-u's five-day visit to the Soviet Union scheduled to start tomorrow, the sources said.

Kotra officials, however, were reluctant to confirm it.

The Korea trade center project in Moscow, which was initiated by Lucky-Goldstar, is participated in by eight other groups—Samsung, Daewoo, Ssangyong, Sunkyong, Hyosung, Kolon, Samwhan and Lotte.

The Korea trade center to be built on Garibaldi Street, just 10km from the Kremlin, will house a 30-story office building, a 3-story structure for shopping and exhibitions, a 20-story hotel and two 12-story apartment structures.

The combined floor of the structures will be 40,000 pyong (132,000 sq. meters), they said.

Kotra will represent the Korean business concerns in talks with Moscow and in management of the trade center.

Korea and the Soviet Union reached a basic agreement on the construction of the trade center last May.

CHOSON ILBO, PRAVDA Agree on Cooperation

SK1112093890 Seoul CHOSON ILBO in Korean 11 Dec 90 p 1

[CHOSON ILBO Announcement]

[Excerpt] Last 7 December, CHOSON ILBO signed an agreement with PRAVDA, the Soviet Union's largest daily newspaper, on exchange of reporters and on cooperation in reporting activity in order to make faster and more precise reports on the ever-expanding ROK-USSR relations and on the Soviet Union's moves in the international community.

This agreement was signed by Chu Ton-sik, CHOSON ILBO editor-in-chief who is visiting the Soviet Union representing his paper, and Ivan Frolov, responsible publisher and editor-in-chief of PRAVDA.

According to this agreement, CHOSON ILBO and PRAVDA are to lend themselves to the program of offering positive assistance and any means of convenience necessary for their coverage activities not only to correspondents from the other side stationed in Seoul and Moscow, but also to journalists to be exchanged between the two newspapers. The two newspapers are also to make mutual offer of full cooperation in their cultural exchange activity. [passage omitted]

Further on North, South High-Level Talks

Fourth Meeting Set For 25 Feb

SK1312051790 Seoul Domestic Service in Korean 0400 GMT 13 Dec 90

[Text] The North and South Korean sides opened the second day meeting in camera at 1000 this morning at the Shilla Hotel and discussed the issue of adopting an agreement. However, they failed to narrow differences in views and decided to hold the fourth meeting in Pyongyang from 25 February next year.

In today's talks, North Korean Premier Yon Hyong-muk reiterated yesterday's proposal that a North-South declaration on nonaggression and reconciliation and cooperation be adopted, and said that he is willing to add or scrap clauses as our side wishes. In today's speech, Premier Yon said: If a nonaggression declaration is adopted, confidence will be built. Nevertheless, the South side insists on promoting trust first. This is designed to prevent the adoption of a nonaggression declaration.

Premier Yon also said that the fact that the South side suspended Red Cross talks and limited the number of North Korean artists for a music festival for reunification to 33 means that it has no genuine intention of facilitating exchanges.

Prime Minister Kang Yong-hun pointed out that adopting a nonaggression declaration without building confidence is useless and that the North and South must not slander each other and must respect each other's system before adopting a nonaggression declaration. Prime Minister Kang also said: Even though nonaggression is contained in effect in the 4 July North-South joint statement, the Aung San incident [1983 bombing in Burma that killed several members of an official ROK Government delegation], the Korean Airlines bombing incident, and numerous other provocative incidents have taken place over the past 10 years. This proves that it is meaningless to adopt a nonaggression declaration without building confidence. Prime Minister Kang said that because it is difficult to adopt an agreement in reality, the two sides must agree, first of all, on a ban on slandering each other, the reunion of separated families, economic exchanges, military confidence building, the establishment of direct telephone lines between the prime ministers, and other issues that the two sides jointly presented.

Spokesmen Accuse Each Other

SK1312083090 Seoul YONHAP in English 0726 GMT 13 Dec 90

[Text] Seoul, Dec. 13 (YONHAP)—South and North Korea's prime ministers, accusing each other of insincerity, ended their talks in Seoul on Thursday without coming any closer to agreement than in their first two fruitless meetings.

The only point on which Prime Ministers Kang Yong-hun and Yon Hong-muk saw eye to eye in the two days of talks was to try again in Pyongyang on Feb. 25-28.

Emerging from the closed-door session, Yim Tong-won, spokesman for the South, and his northern counterpart, An Pyong-su, accused each other of ruining the talks with an "insincere attitude."

Announcing the date of the fourth round of talks, An said they could be "gravely" affected if South Korea held its annual joint military exercise with the United States.

"The southern side failed to show a solid position on the non-aggression declaration. This attitude mocks both the dialogue partner and the talks, which are very responsible for North-South relations," he said.

Charging the South with doing all it could in opposition to the declaration, an said he saw signs of a return to "the old state of confrontation."

He said the South exhibited "antagonism" against the North when it arrested three dissidents for meeting with North Koreans in Berlin in November.

"We cannot understand the South. It talks about an end to the cold war with foreign countries, but not with the same people," An said.

He said the North could not accept the South's basic agreement as it was identical to the basic treaty between East and West Germany, which resulted in the West absorbing the East.

In a separate news conference, Yim said, "The North Korean delegates have been trying to slander and overthrow the South Korean Government even in the course of the high-level talks.

"Under these circumstances, the northern side should adopt a basic agreement on improvement of South-North relations before tackling the issue of non-aggression. It is natural to restore trust first and then discuss the issue of non-aggression."

He said non-aggression was of crucial significance and should be included in inter-Korean discussions, but "the argument that it speaks for all" is absurd.

To build confidence first, South Korea suggested an end to mutual slander and vilification, exchanging visitors on lunar New Year's Day, realizing economic cooperation, taking steps to build military confidence and establishing hotlines between the prime ministers, but the North rejected everything, he said.

On the timing of the next round of talks, he said, "They seem to have proposed to hold the talks in February because the Team Spirit exercises begin in February ever year. I believe the talks will be held as planned as they are very important."

Yim said the South had shown its willingness to reduce or stop the Team Spirit exercises if there were progress in inter-Korean relations.

Hope flickered briefly on Wednesday, when the premiers indicated a willingness to partly accommodate each other's position on the thorny issue of a non-aggression declaration.

Kang said the North's proposed declaration could be discussed after a basic agreement on improving inter-Korean relations was adopted.

In his key-note speech he suggested South and North "establish a joint subcommittee for South-North exchanges and cooperation and a joint subcommittee on South-North political and military affairs within one month" of the basic agreement taking effect.

He said the basic agreement could include promises to adopt a non-aggression declaration, to stop mutual slander, to allow mutual open access to television, newspaper, radio and publications, and to sign agreements on travel, communications, and economic exchanges and cooperation.

North Korean Musicians Leave for Pyongyang

SK1312035090 Seoul YONHAP in English 0234 GMT 13 Dec 90

[Text] Seoul, Dec. 13 (YONHAP)—A 33-member North Korean folk song troupe led by Song Tong-chun left here for home Thursday after giving three concerts in the South Korean capital.

"We confirmed which songs of our nation have kept their identity through the Seoul joint music concert with the South Korean musicians and we will make further efforts to contribute to national reunification by means of a broader exchange of national music," Song said in a departure statement.

Song also voiced regret over the detention of three South Korean dissidents for having met with North Koreans in Berlin, defying a government ban.

The Rev. Cho Yong-sul and two other South Koreans were led away by the police when they flew into Seoul Nov. 30 after attending a "pan-national meeting on Korean reunification."

In the truce village of Panmunjom, the musicians stepped across the Demarcation Line and back into North Korea, waving and bidding farewell to a group of South Korean musicians, including concert organizer Hwang Pyong-ki, who had come to see them off.

While in Seoul for five days, the North Koreans gave three concerts and performed for the delegates to the inter-Korean premiers' talks together with South Korean musicians.

North's Letter for Dissident Teacher Rejected

SK1312052890 Seoul YONHAP in English 0443 GMT 13 Dec 90

[Txt] Seoul, Dec. 13 (YONHAP)—Kim Sang-hyop, president of the Korean National Red Cross, told his North Korean counterpart Thursday that he refused to accept a private letter from Choe Kum-son of the Union of North Korea's Educational and Cultural Personnel for delivery to Yon Yong-kyu, head of South Korea's outlawed National Teachers Union.

"The decision follows the common practice of rejecting a letter we are concerned would provoke a political dispute or have an undesirable impact on South-North Korean relations," said Kim Hyong-ki, spokesman for the South-North Dialogue Secretariat.

The National Teachers Union, formed by a small band of dissident teachers, is perceived by the South Korean Government as being radical and anti-government.

In a telephone message on Wednesday afternoon, acting North Korean Red Cross head Yi Song-ho asked Kim to send two liaison officials to the truce village of Panmunjom at 3 P.M. on Friday to collect the letter.

Minister Warns Japan on Military Expansion

OW0812045090 Tokyo KYODO in English 0429 GMT 8 Dec 90

[Text] Seoul, Dec. 8 KYODO—South Korean Foreign Minister Choe Ho-chung warned Japan against becoming a military power when he met Japanese Defense Agency Director General Yozo Ishikawa on Saturday.

In the meeting at the Foreign Ministry, Choe said Japan's United Nations peace cooperation bill for sending Self-Defense Forces abroad provoked concerns among some neighboring nations that Japan may become a military power, Japanese officials said.

Choe said Japan's international roles have expanded but the roles must not include a military one, the officials said.

Ishikawa said the bill, defeated in a recent extraordinary Diet session, was not aimed at a Japanese military role or the use of armed forces.

He stressed Japan's defense policy operated within the restraints of the peace constitution.

On North Korean nuclear development, Ishikawa said if North Korea develops nuclear arms, it will cause concerns on the Korean peninsula and in Northeast Asia.

Ishikawa and Choe agreed to urge North Korea to conclude an agreement with the International Atomic Energy Agency (IAEA) to accept nuclear inspections, the officials said.

Ishikawa is scheduled to return home Sunday after a three-day visit to South Korea.

Future Links With Socialist Countries Viewed

SK1312015190 Seoul THE KOREA HERALD SUPPLEMENT in English 13 Dec 90 p 1

[By business editor Chong Pong-ok]

[Text] Korea's business ties with East Europe and other Communist countries will ever expand in the future as more and more of them will set up diplomatic ties with Seoul.

In a move to accelerate closer business relations with them, the Korean government recently freed local business from approvals for their business deals with six East European countries and Mongolia, which have established diplomatic ties with Seoul.

The six East European countries are Romania, Hungary, Yugoslavia, Czechoslovakia, East Germany and Poland.

The Soviet Union will also be delisted from the trade regulations during President No Tae-u's visit to the Soviet Union.

Seoul and Moscow already initialed the set-up of diplomatic ties between them in Sept. 30.

Still on the regulation list are China, Vietnam, Laos, Cambodia, Albania and Cuba, while North Korea is yet to answer South Korea's proposal for direct trade between the divided halves of Korea.

With diplomatic ties between Seoul and Beijing yet to be set up, Korea's business ties with China have seen remarkable expansion in recent years.

Thirty-one out of 34 investment projects of Korean businesses in Communist countries, as approved by the authorities concerned until Sept. 15 this year, were directed to China.

Thirty-six of 44 investments projects in those countries are planned to be made in China.

Korean enterprises' investments in the Soviet Union will likely turn brisk when the Korean and Soviet top leaders will sign an investment guarantee pact in their meeting this time.

On expansion in recent years were not only the joint ventures with those countries but also trade between Korean and the Communist countries.

Korea's two-way trade with the East bloc countries and China in the first nine months grew 23.7 percent from a year ago to $3,770 million, the Ministry of Trade and Industry said.

Trade with the "northern" countries accounts for 3.9 percent of this country's total trade volume, up from the comparable ratios of 0.1 percent for 1980 and 3.4 percent last year.

Exports to the Soviet Union and East European nations increased 29.8 percent to $1,780 million, paced by brisk shipments of electronic appliances and daily necessities.

Imports from Moscow fell 10.6 percent, but sharp rise in imports of cement and crude oil from China pushed up the total imports 18.9 percent to $1,990 million.

Seoul's trade deficit with the Communist bloc countries narrowed from $303 million to $210 million over the cited period, according to the ministry tally.

Countrywise, China, which has become Korea's fifth largest trade partner with an annual two-way trade volume of more than $3 billion since 1988, showed a relatively small increase of 11.3 percent to $2,590 million in the nine-month period.

Due to the austerity policy of the Beijing government, Korean exports declined 7.8 percent to $1,030 million, while exports surged 23.3 percent to $1,560 million.

With Moscow, active exports more than offset the sluggish imports to push up bilateral trade by 62.1 percent to $569 million.

Ministers Anticipate Tough U.S. Trade Talks

SK1012055490 Seoul YONHAP in English 0516 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (OANA-YONHAP)—South Korean trade officials, still wilting from the Uruguay Round, are bracing for yet another hard round of trade talks.

Their immediate concern is a series of economic consultations with the United States this month and next in Seoul that are likely to be especially hard because of the Uruguay Round's impasse, trade officials predicted.

A trade sub-group committee meeting is slated for Dec. 17-18 and a session on tobacco sales Dec. 14. Consultation is also scheduled for Jan. 15-16 in Seoul.

Crucial issues include Korea's beef imports, import regulations on U.S.-grown pecan nuts, advertisement of foreign cigarettes, wine tariff reductions and the proposed setup of a Marriott Corp. factory in Korea to supply in-flight meals.

"Most of these issues are not directly linked to the Uruguay Round," said an official at the Trade and Industry Ministry. "But because of the high tension in the agriculture sector, we are specifically conscious of certain parts of the talks, such as beef imports."

While preparing for the possible impact of the delay in the global talks, Korea is also reviewing possible agreements with the U.S. side on a beef brand import quota and the simultaneous buy and sell system (sbs), according to officials.

The ministry's activities are reflective of the overall trend inside the Korean Government since the Uruguay Round ended without any results. Trade and Industry Minister Pak Pil-su, returning from Brussels, told reporters Sunday no specific changes in the Korean stance at the Uruguay Round are under consideration.

"However, we will assume flexibility in negotiating with advanced countries such as the United States and Australia, possibly lowering customs tarriffs on certain products," Pak said.

Agriculture, Forestry and Fisheries Minister Cho Kyong-sik, returning with Pak, said the government would review the 15 non-trade concern (ntc) items for possible modification, although no immediate changes are expected.

"We clearly realized at the Brussels talks it is impossible to block liberalization in the agriculture sector," Cho said. "We are past the stage of concentrating on oppositions and demands."

Pak said, "the only positive result from the Uruguay Round may be that we earned more time to try to pursuade other nations of our domestic market situation."

Symposium on UR, Copyright Issue Held

SK1312034990 Seoul THE KOREA HERALD in English 13 Dec 90 p 7

[By Staff reporter Yu Kun-ha]

[Text] A symposium was held Tuesday to discuss the implications of the Uruguay Round [UR] negotiations for domestic institutional arrangements for copyright protection.

Copyright protection has been dealt with in the UR negotiations as part of the issue concerning intellectual property rights related to trade. This issue has been addressed by a negotiation group on trade related aspects of intellectual property rights, including trade in counterfeit goods (TRIPS Group). It is one of nine such groups formed to deal with the 14 items on the UR negotiations agenda.

Different positions of the participating countries about agricultural problems have been known to be the chief stumbling block to a settlement of the negotiations. But in the field of intellectual property rights, sharp confrontation has been maintained between developed and developing countries.

Experts who participated in the symposium were of the view that in whatever form the UR negotiations might be completed, it would not be a cause for serious concern. They pointed out that Korea has since 1987 been providing protection to domestic and foreign copyrights at a level being sought in the UR negotiations.

Korea joined the Universial Copyright Convention [UCC] in 1987. But the application for membership to the UCC was not totally voluntary; the nation was then conscious of the increasing pressure from advanced countries, especially the United States, for positive steps for foreign copyright protection.

But it has not yet applied for membership to the Berne Convention for the Protection of Literary and Artistic Works which calls for stronger protection than is stipulated by the UCC. One of the experts who presented a paper to the symposium, Prof. Pak Chun-ho of Korea University, noted that the immediate implication of the settlement of the UR negotiations will be that Korea has to join the Berne Convention as well, since a tentative agreement reached by the TRIPS Group envisions compliance by all participating countries with the substantive provisions of the Berne Convention signed in 1971.

According to Pak, however, Korea's membership in the Berne Convention will not bring about disastrous outcomes. One of the key issues to arise from the membership, Pak said, concerns the retroactive protection of copyrights stipulated in Article 18 of the convention.

Pak said the first clause of the article specifies that the convention shall be applied to all literary and artistic works except for those which are already in a state of free use because of the expiration of the protection period in their home countries.

This broad definition of the works to be protected, however, Pak said, is limited by the third clause of the same article which says that the application of the above principle is subject to the provisions of the existing or future agreements between the countries concerned. In short, this third clause allows individual countries to confine the application of the first clause to their domestic laws. This means that Korea can, after joining the Berne Convention, free itself from the obligation to protect foreign copyrights retroactively by legislating laws that rule it out.

But, Pak noted, Korea has been applying the principle of retroactive protection to reprints of the works originating from the United States since it signed an intellectual property agreement with it in 1986. Ironically, he added, the U.S. has opposed the application of retroactive protection stipulated in the Berne Convention. Its Berne Implementation Act of 1988, which was legislated to prepare for the taking effect of the convention toward itself in March 1989, excludes the provision of retroactive protection.

Anyhow, Pak said, Korea's exceptional application of retroactive protection to U.S. works has been the seed for discontent among other advanced countries. This problem was also mentioned by another expert at the symposium. Yang Yong-chun, a lawyer, said Korea is in a difficult situation to defend its opposition to retroactive protection in the UR negotiations because most countries participating in them are members of the Berne Convention. He said measures have to be worked out to prevent the extension of the privilege offered to the U.S. to other countries which have been demanding the same privilege in connection with the most-favored-nation treatment principle of the General Agreement on Tariffs and Trade (GATT), within whose framework the UR negotiations have been conducted. Yang suggested that the nation might be able to seek abolition of retroactive protection after a certain grace period or acknowledge exceptions to the most-favored-nation treatment principle.

The lawyer also predicted that if the UR negotiations end in failure, the United States might seek a separate code on intellectual property rights signed only by advanced countries such newly industrializing economics [NIE] as Korea and some moderate developing countries. In this case, the nation's position will be to cooperate with the United States, since it has more to lose than to gain when it is forced to negotiate a bilateral, not a multilateral, contract with the United States.

Yang noted, however, that Korea and other NIEs and EC countries are in favor of revising relevant GATT provisions rather than launching a new separate code to deal with issues concerning intellectual property rights. Developing countries, in contrast, have called for incorporating only abstract principles within the GATT provisions to give individual countries more leeway in addressing problems related to intellectual property rights. Korea's position, he said, is to find a compromise between those of the U.S. and developing countries.

The symposium was organized by the Commission for Deliberation and Cooperation of Copyrights. In addition to the two speakers, seven more experts participated.

Official Urges 'Defense Budget Retrenchment'

SK1212004990 Seoul THE KOREA TIMES in English 12 Dec 90 p 3

[Text] Army Chief of Staff Gen. Yi Chin-sam called on the military forces yesterday to economically manage the defense budget through appropriate formulation and efficient implementation of defense expenditures.

Gen. Yi made the call at the yearend meeting of key Army commanders held at the Kyeryongdae Integrated Military Complex south of Taejon. He pointed out that the defense budget could not be a "sanctuary" any longer in consideration of the progress in the South-North dialogues and the increases in other national budgets.

The comment by Gen. Yi on defense budget retrenchment attracted particular attention because it was the first remarks made by a top military leader on the scale-down of the defense budget.

Gen. Yi said, "The Armed Forces will work out and evolve a natural resources-saving combat concept appropriate to the unique geography of Korea and its situation.

The Army commanders set establishment of an elite Army as the major business goal of the Army in 1991, renewing their resolve to consolidate the capability of a self-reliant deterrence against external defense threats.

Ministry Revises Nuclear Power Programs

SK1112095590 Seoul THE KOREA ECONOMIC JOURNAL in English 11 Dec 90 p 4

[Text] The Science-Technology Ministry has drastically revised its nuclear power related programs, according to data submitted to the National Assembly.

Under the revised programs, the ministry has nullified its original plan to develop a module-type sea-bed nuclear reactor.

Korea Nuclear Fuel Co., which has only been involved in nuclear fuels for light-water nuclear reactors, also is entitled to do business with heavy-water nuclear reactors, ministry sources said.

At the same time, the ministry has canceled its original plan to select within this year a site for the construction of nuclear waste disposal facilities by 1997.

According to the revised programs, a second nuclear power research institute will be equipped with a storage facility of intermediary nuclear fuel waste following consultations with residents nearby, while a storage facility of low- and medium-level nuclear fuel waste will be built on an uninhabited island, the sources said.

All end-user radioactive isotope waste will be collected and disposed of by the Korea Research Institute for Nuclear Energy, the sources said.

The revised programs would postpone the ministry's efforts to increase the country's self-sufficiency rate on nuclear power technology from 79 percent in 1989 to 95 percent in 1995, the sources said. Korea now depends upon nuclear power for about 51 percent of its electricity needs, the sources added.

New Strategy on Market Liberalization Cited

SK1212031290 Seoul YONHAP in English 0150 GMT 12 Dec 90

[Text] Seoul, Dec. 12 (OANA-YONHAP)—South Korea will concentrate as much on bilateral trade negotiations as on the Uruguay Round talks in its new strategy on market liberalization, officials at the Economic Planning Board (EPB) said Wednesday.

The officials said adjournment of the Uruguay Round to next month was likely to activate bilateral negotiations in areas such as agriculture and services.

Korea hopes to focus expected talks with the United States on the service market, which includes sensitive telecommunications and finance issues, and the agriculture market through inter-ministerial cooperation, they said.

It will review priorities in the 15 sectors covered by the Uruguay Round and possibly remake proposals, they said.

The 15 non-trade concerns (ntcs) list on farm products will make room for more flexibility and be changed to suit the South Korean position at the global trade talks, they said.

The government will also favorably consider accepting a recent U.S. proposal for tariff-exempt trade in 13 categories such as medical equipment, electronic goods and construction materials, as well as requests for MFN (Most-favored Nation) status.

Free trade in some of these categories is likely to spur domestic competition and industry growth while MFN treatment can earn international market expansion for Korea, they said.

"We will be redetermining the order of importance of future negotiations in order to get our proposals accepted by other countries," one official said.

DLP, PPD Agree To Introduce Local Autonomy

SK1112085890 Seoul YONHAP in English 0728 GMT 11 Dec 90

[Text] Seoul, Dec. 11 (YONHAP)—Devolution will come to South Korea in the spring, 30 years after local self-rule was snuffed out by a military coup d'etat that centralized all power on May 16, 1961.

The ruling Democratic Liberal Party (DLP) and the Party for Peace and Democracy (PPD), represented by whips Kim Yun-hwan and Kim Yong-pae, ended a bitter tug of war on Tuesday by agreeing to the gradual introduction of local autonomy.

As a result, the National Assembly Special Committee on Budget and Account can now resume deliberation of the government's draft budget for fiscal 1991.

The full Assembly will vote Wednesday on the amendment to the local parliamentary election law and the local government's chief election bill, worked out by negotiators from both parties, sources said.

The compromise came when the PPD dropped its demands on constituency size, proportional representation and outdoor political campaign rallies and accepted the DLP propositions.

"Because it is most important for us to revive local elections 30 years after their interruption, we will compromise with the DLP today, giving up our demands on the issue," PPD President Kim Tae-chung announced before the meeting.

"Although we stepped aside on our demand for parties to be allowed to hold outdoor campaign rallies for their candidates, the election law permits parties to have outdoor rallies," the PPD floor leader said. "The PPD will begin to fully prepare for local elections by setting up local election committees."

Analysts see the major concession as an attempt to advance the timetable for local elections and avoid angering the public by preventing passage of a budget before the assembly goes into recess on Dec. 18.

The two parties had agreed in principle that elections for local councils would be held in the first half of this year and elections of mayors and governors next year.

They will likely agree to fix the size of city and county councils at 866 members and provincial and big-city governments at 4,277 members, as proposed by the DLP.

Opposition Urges Release of Political Prisoners

SK1012091390 Seoul YONHAP in English 0705 GMT 10 Dec 90

[Text] Seoul, Dec. 10 (YONHAP)—The South Korean opposition urged the government to free all political prisoners Monday for the 42nd anniversary of the world human rights declaration.

"Our party feels so painful this day, with some 1,400 people in prison for political reasons," said Kim Tae-sik, spokesman for the Party for Peace and Democracy (PPD).

The PPD accused the government of President No Tae-u of sending more people to prison for political reasons than former Presidents Pak Chong-hui and Chon Tu-hwan combined.

Chang Sok-hwa, spokesman for the splinter Democratic Party, issued a similiar warning that human rights have worsened since No took office.

Burma

Burmese Military Delegation Leaves for Thailand

BK1212144390 Rangoon Domestic Service in Burmese 1330 GMT 12 Dec 90

[Text] Senior General Saw Maung, commander in chief of the Defense Services, saw off a Burmese Defense Services study delegation at Yangon [Rangoon] Airport. The delegation, led by General Than Shwe, deputy commander in chief of the Defense Services and the commander in chief of the Army, which left Yangon this morning in a special plane of the Government of the Union of Myanmar [Burma] to attend the Asian Defense Services Exhibition to be held in Thailand.

Present at the airport with Senior General Saw Maung were Rear Admiral Maung Maung Khin, commander in chief of the Navy; Lieutenant General Aung Ye Gyaw, adjutant general; Lieutenant General Phone Myint, quarter master general; Lieutenant General Sein Aung, chief of the Number 1 Operations Bureau; Lieutenant General Chit Swe, chief of the Number 2 Operations Bureau; Major General Tin U, chief of staff of the Army; Major General Myo Nyunt, commander of the Rangoon Military Command; Mr. Suraphong Posayanon, Thai ambassador to Burma; and senior civilian and military officials.

Lieutenant General Than Shwe's 22-member delegation includes Major General Khin Nyunt, director of the Directorate of Defense Services Intelligence; Brigadier General Abel, director of procurement; Commodore Than Nyunt, chief of staff of Navy; Brigadier General Thein Win, chief of staff of Air Force; Brigadier General Myo Thant, director of signals of the Ministry of Defense; Brigadier General Thein Tun, director of ordnance; and senior military officials.

PRC Railway Minister Meets With Aung Ye Kyaw

BK1212100890 Rangoon Domestic Service in Burmese 1330 GMT 11 Dec 90

[Text] Lt. Gen. Aung Ye Kyaw, member of the State Law and Order Restoration Council and minister for construction and cooperatives, hosted a banquet in honor of Mr. Sun Yongfu, visiting PRC vice minister for railways, and his delegation at the Ruby Room of the Inya Lake Hotel this evening.

Present at the banquet were U Tin Maung Yin, managing director of the Public Construction Enterprise of the Ministry of Construction; U Khin Maung Than, director general of the Directorate of Land Transport; U Ba Thwin, director general from the Foreign Ministry; the PRC ambassador to Myanmar [Burma]; and responsible officials.

The visiting vice minister and his delegation visited the Shwedagon Pagoda at 0815 today and then visited Insein Rail Engine Workshop where they were welcomed by U Win Pe, managing director of the Myanmar Railways Enterprise, directors general, and responsible officials. The Chinese delegation was given a tour of the workshop.

At 1045 the PRC vice minister of railways and his delegation, accompanied by Mr. Cheng Ruisheng, PRC ambassador to Burma, called on Lt. Gen. Aung Ye Kyaw, minister of construction and cooperatives, at the Ministry of Construction.

Present at the meeting were U Khin Maung Yin, managing director of the Public Construction Enterprise, and responsible officials from the Ministry of Construction.

In the afternoon, the visiting vice minister and his delegation visited the Agriculture Museum of the Myanmar Agriculture Enterprise. They were welcomed by U Khin Maung Yin, managing director of the Public Construction Enterprise, and responsible officials and were given a tour of seven rooms in the museum.

The PRC vice minister of railways and his delegation left after touring the Myepadetha Garden.

Brunei, Malaysia & Singapore

Malaysia

Further on PRC Premier Li Peng's Visit

Comments on SRV, Spratlys

BK1312080090 Hong Kong AFP in English 0747 GMT 13 Dec 90

[Excerpts] Kuala Lumpur, Dec 13 (AFP)—Chinese Premier Li Peng gave a guarded reception Thursday to a Malaysian proposal for an Asian trading bloc, saying that regional cooperation should be boosted but remain "loose."

Mr. Li made his remarks at the end of a four-day visit here that included discussion of Kuala Lumpur's week-old initiative for a regional bloc should multilateral talks to free up world trade collapse. [passage omitted]

Japan has already expressed reservations about the idea, apparently floated by Malaysia without consulting other countries. Tokyo said it feared the proposal "would be a move in the protectionist direction."

On another matter, Mr. Li again expressed hope for an eventual normalisation of Sino-Vietnamese relations but said the latest snags in resolving the Cambodian conflict hampered hopes for talks between Beijing and Hanoi.

"I've already said that China and Vietnam will gradually improve their bilateral relations in the process of a settlement of the Cambodian issue," the premier said.

He said that while some progress had been made on Cambodia, the dispute over the chairmanship of the Supreme National Council grouping the country's warring factions "is not encouraging."

But Mr. Li added: "We are very glad to see that during our contact with the top Vietnamese leaders we have found that a considerable number ... also have a desire to see a settlement of the Cambodian issue as soon as possible and to bring about the normalisation of Sino-Vietnamese relations. We are quite supportive of that desire."

On the question of the disputed Spratly Islands, which triggered a clash between China and Vietnam in 1988, Mr. Li said that Beijing's sovereignty was "indisputable" but it was willing to take into account historical and practical factors.

"On this basis we will try to solve this isssue through friendly consultations with the other countries," he said. In addition to China and Vietnam, Malaysia, Taiwan and the Philippines all have claims on the Spratlys.

Mr. Li also said categorically that the Chinese Communist Party maintained no relations with any communist party in the ASEAN states and insisted that his country's efforts to modernise its armed forces were "thoroughly defensive nature."

"China does not pose any threat to any other country," he told the news conference before heading out to the Philippines, his second stop on a four-nation swing that will also take him to Sri Lanka and Laos.

Urges East Asian Cooperation

BK1312094490 Kuala Lumpur BERNAMA in English 0909 GMT 13 Dec 90

[Text] Kuala Lumpur, Dec 13 (OANA/BERNAMA)—Chinese Prime Minister Li Peng Thursday expressed support for strengthening economic cooperation among East Asian countries, but said further discussion is needed to decide on the form of cooperation.

China believed it was necessary and useful to improve economic cooperation with other East Asian countries, he said, adding that the matter was discussed in his meeting with Malaysian Prime Minister Dr. Mahathir Mohamed.

In their meeting on Tuesday, Dr. Mahathir had raised his proposal for East Asian countries to set up a grouping to enhance economic cooperation in view of the threat from growing regional trade blocs.

"I think it is still an open question... Because East Asian countries differ in their economic systems and levels of development," Li told a news conference at the end of a four-day official visit here.

"I think the cooperation should be developed into a kind of loose association," he said, speaking through an translator.

Li, who leaves for the Philippines Thursday, said he believed there was great potential for improving trade between Malaysia and China which now stands at US$1 billion (M$2.7 billion).

To a question, Li said there were no relationships between the Communist Party of China and communist parties in Southeast Asia including with the defunct Communist Party of Malaya (CPM). "Maybe you are interested in the whereabouts of Chin Peng. I can tell you very certainly that he is not in China and I'm not clear where he is now," he said referring to former CPM leader Chin Peng who had in the past taken refuge in China.

On Cambodia, Premier Li said it was necessary for the chairmanship of the Supreme National Council, to administer the country prior to an elected government, to be settled quickly to progress with its work.

The Cambodian factions had agreed to resistance leader Prince Sihanouk chairing the 12-member council, but Cambodian Prime Minister Hun Sen later stalled progress by demanding a 14th seat as vice chairman. The Chinese leader said the question over election of the chairman should be decided first before other matters such as vice chairmanship.

Radio Lauds Visit, Talks

BK1312105290 Kuala Lumpur International Service in English 0800 GMT 13 Dec 90

[Station commentary]

[Text] The assurance given by visiting Premier Li Peng that China will not use the Chinese community in Southeast Asia to promote its own interests is most welcome. Malaysians would like to forget the bitter years of insurrection staged by the Malayan Communist Party, MCP, against the government.

When its struggle proved futile it gave up the cause and the nation heaved a sigh of relief. The support of the Chinese Communist Party to the MCP in what the former described was on a party-to-party basis had been allowed to sour relations between Malaysia and China. Now that the MCP has failed its struggle in China has [words indistinct] in the open-door policy interrelations with the rest of the world, an environment for the forging of closer economic and trade ties has come of (?this).

After years of indifference, hostility and mutual suspicion, Malaysia became the first ASEAN country to normalize diplomatic relations with the People's Republic of China in 1974. However, it was not until the mid-1980s that the Sino-Malaysian relations took an upward practical path. In November 1985, Prime Minister Dr. Mahathir Mohamed made an official visit to China. Foremost on the agenda of his talks with Chinese officials was trade which has come to play the pivoting role in the ties between the two countries.

Trade with China has been improved. In 1982, Malaysia had imported 650 million ringgit worth of products from China—a bulk of which was manufactured goods and food. Exports to China that year accounted for 260 million ringgit mostly in the form of primary commodities.

Malaysia had thus suffered a trade deficit of 390 million ringgit. However, in the late 1980s Malaysia was able to (?carry) trade with China to its favor. In fact, Malaysia's economic prosperity and China's achievements under her modernization program augur well for more trade and investment opportunities. Total trade between Malaysia and China reached 2.9 billion ringgit last year and 1.6 billion ringgit during the seven months of 1990.

Mr. Li Peng's current visit with a 39-member delegation is to look into the further enhancement of trade between the two countries. The Malaysian Government's lifting of travel restriction for its citizens to China is a step towards a better trade relationship. Mr. Li has expressed the hope that more Malaysians enterpreneurs will explore the trade potentials in his country and vice versa.

On international affairs, China and Malaysia hold similar views with effect to the Gulf crisis and the Cambodian problem. Mr. Li has also described as constructive the suggestion by the Malaysian premier that there is a need now for East Asian countries to form their own trade blocs or markets to safeguard their own economic interests to present a more united stand at international trade negotiations. He noted that many developed countries have formed such blocs of their own and were using their economic skills to obstruct fair and free trade.

The Chinese premier's current visit to Malaysia is a timely one. Relations between the two countries have moved from the era of ideological application to one of physical cooperation. Scope for further improvement in cooperation is enormous. There is a distinct possibility that China will become a major trading partner of Malaysia in the near future. The talks between Mr. Li and Dr. Mahathir will give timely (?review) to Sino-Malaysian relations in the 1990s and beyond.

Agrees to Direct Trade, Departs

BK1312145790 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 13 Dec 90

[Text] Speaking at a news conference near Kuala Lumpur today before his departure for Manila, Chinese Prime Minister Li Peng said China has agreed to Sino-Malaysian direct trade in an effort to further improve bilateral relations. Mr. Li Peng ended his official four-day visit to Malaysia today.

According to him, there is greater potential to further improve existing bilateral trade relations, particularly through steps taken by the Malaysian Government. Malaysia, among other things, has lifted travel restrictions on citizens who want to visit the PRC.

Another positive effort taken by the Malaysian Government was in expediting the processing of visas for Chinese citizens who aspire to visit Malaysia. According to Mr. Li Peng, such a move would further encourage more Chinese entrepreneurs to visit Malaysia. He also urged more Malaysian entrepreneurs to make more investments in China through the establishment of Malaysian-owned companies or through joint ventures.

Mr. Li Peng also supported Malaysia's proposal to further enhance economic cooperation among East Asian countries. But the Chinese prime minister suggested that the forms of cooperation should be discussed first to determine the correct methods of implementation and their suitability.

Touching on his visit to Malaysia, Mr. Li Peng said the visit had further enhanced existing bilateral relations. He praised Malaysia for its brilliant success and progress.

Datuk Sri Dr. Mahathir and Datin Sri Dr. Siti Hasmah visited Mr. Li Peng before his departure for home. The Chinese prime minister's visit to Malaysia was to reciprocate Datuk Sri Dr. Mahathir's visit to China in 1985.

After a four-day stay in Malaysia, Mr. Li Peng and his wife left for home via Kuala Lumpur international airport. Foreign Minister Datuk Abu Hassan Omar and his wife were at the airport to see them off. Mr. Li Peng and his delegation boarded a special aircraft bound for Manila.

Besides meeting the country's leaders, while he was in Malaysia, Mr. Li Peng also visited several industries, the Proton Saga automobile plant at Shah Alam, and several tourist resorts. Mr. Li Peng said China has agreed to consider reducing the import tariff on Malaysian palm oil.

Minister: PRC May Cut Palm Oil Import Tariff

BK1212103490 Kuala Lumpur International Service in English 0600 GMT 12 Dec 90

[Text] China will consider reducing its import tariff on Malaysian palm oil. Malaysian Primary Industries Minister Datuk Sri Lim Keng Yaik says the matter will probably be discussed in the proposed China-Malaysia Economic Commission meeting sometime next year.

Speaking to reporters in Bangi today, Datuk Sri Lim said the issue was raised in the talks between the Chinese and Malaysian delegations led by their respective prime ministers in Kuala Lumpur yesterday. The present import tariff in China on peanut oil and soybean oil are 15 and 10 percent lower respectively than palm oil. The minister also said that if tariff on palm oil is reduced, efforts to establish joint venture in processing and refining the products could materialize.

Earlier, Chinese Prime Minister Li Peng and his entourage visited the Palm Oil Research Institute of Malaysia in Bangi. They were briefed by the Institute's Director General Datuk Dr. Haji Abdul Halim Hassan.

Government Responds to Election Observers' Report

BK1112152590 Kuala Lumpur BERNAMA in English 0926 GMT 11 Dec 90

[Text] Kuala Lumpur, Dec 11 (OANA/BERNAMA)—A report prepared by a Commonwealth group which observed the Malaysian general election in October has concluded it to have been free and fair.

The government Monday made public the report along with the government's comments on several aspects questioned by the group.

Minister in the Prime Minister's Department Syed Hamid Albar said the report and the comments were distributed to members of Parliament Monday.

"The government does not wish to hide anything, but in areas where it is felt there has been partiality, the government has to comment to provide the correct perspective," he said.

The report of the Commonwealth observer group was sent by the Commonwealth Secretariat several weeks after the general election in October.

The Commonwealth observers were in the country for about two weeks at the invitation of the Malaysian Government.

Syed Hamid said: "The wild accusations hurled by the opposition at the government were totally baseless because it is evident that the group, which carried out its observations independently, was satisfied with the conduct of the elections," he said.

He said it has often been assumed that should there be any obstacle to the conduct of a fair and free election, the ruling party would be the one to benefit.

"This is a wrong assumption because the opposition can and has obstructed the conduct of fair and free elections," he added.

The government has made comments on five aspects raised by the group:

"Opposition claims of having been denied media coverage,

"Too brief a campaign period,

"Restrictions to obtaining police permits to hold ceramah [talks],

"The independence of the Elections Commission, and

"Weaknesses in the electoral rolls."

Commenting on the points raised by the group, Syed Hamid said the campaign period did not begin after Parliament was dissolved on October 5 but two years ago when the opposition parties started to hold gatherings and meetings.

Syed Hamid said the government placed importance on public order and peace and the campaign period was limited to nine days to avoid a recurrence of the May 13 tragedy of 1969.

He said that the campaign period for the general election in 1969 was 35 days, and that the large-scale victory parades by the opposition parties after the elections led to the racial riots then.

On claims by the opposition of having been denied equitable media access, Syed Hamid said the group arrived at the opinion based on the coverage in the English language newspapers and the electronic media only.

"Actually, the Chinese and other language newspapers published by the opposition gave extensive coverage to the campaign of the opposition ... and the Chinese newspapers openly and actively campaigned for the opposition parties," he added.

The opposition parties also openly prevented the private television station, TV3, from reporting on their campaign, he said.

On police permits for holding talks, he said the restrictions covered all political parties.

Syed Hamid said the observer team had suggested that the Elections Commission be made accountable to Parliament.

"There has been some misunderstanding by the group because our laws provide for any member of Parliament to question the position and independence of the commission, and therefore this matter does not arise at all," he said.

Syed Hamid said the group's comments on names missing from the elector's list implied that the government gained from this.

He cited the cases of electors who cannot be traced and are suspected to be living in southern Thailand, and who are registered as voters by the opposition.

"The ruling party discovered this and reported that there were voters who cannot be traced," he said.

He admitted that there were weaknesses in the system of voter registration but said the commission took steps to update the records and that it was a continuing process.

Panelist Analyzes Current Employment Situation

BK0612051890 Kuala Lumpur BERNAMA in English 0307 GMT 6 Dec 90

[Text] Kuala Lumpur,Dec 6 (OANA-BERNAMA)-- Malaysia may have reached full employment, according to the independent Malaysian Institute of Economic Research (MIER). A five percent unemployment figure has historically been interpreted as full employment.

The official unemployment rate now is tagged at 7.5 per cent. But if the historical full employment figure of five percent unemployed is used together with a downward adjustment of 1.5 to two percent from the official figure, then it could be said that Malaysia might have reached full employment.

MIER executive director Dr. Kamal Salih said Wednesday [5 December] that if structural full employment was the case and with inflation growing, Malaysia would then have to fine-tune its policies in managing labour resources.

Furthermore, there will be vast policy implications in that the government has to ensure the labour force, wage policy, and skills development complement one another.

Dr. Kamal made these comments in his paper "Employment, Labour Market, and Wages: Have We Reached Full Employment or Not?" at the MIER's two-day 1990 national outlook conference here. language as the Chinese and they share some cultural similarities.

Singapore

Deputy Premier Lee Views Possible ASEAN Entry

BK1312131890 Singapore THE STRAITS TIMES in English 13 Dec 90 p 5

[By Shaun Seow in Paris]

[Text] It will take some time before Vietnam can join ASEAN as current differences between the two are too vast, said Deputy Prime Minister Lee Hsien Loong.

Brigadier General [BG] Lee, who is also the Trade and Industry Minister, told about 90 French employers and executives on Tuesday afternoon that co-operation between Vietnam and ASEAN was possible, but "cooperation within ASEAN significantly widens the scope of the problem".

In his view, there are three reasons why Vietnam cannot immediately become an ASEAN member:

—Vietnam's political stand, for example on Cambodia, is very different from that of the ASEAN states. "Antagonists do not become bosom friends overnight. It is not a matter of lingering doubts but it is a question of some time needed for adjustments for policy shift."

—The Cambodia issue has not been resolved, and this has to be cleared "before new items can be put on the agenda".

—The gap between Vietnam and the ASEAN states is very wide in terms of economic management styles, living standards and integration into the world econonmy.

He said: "These are realities for Vietnam, therefore, to fit into ASEAN, and for there to be sufficient convergence of interests to be able to work on economic co-operation and common schemes would not be easy until some of these problems are overcome."

BG Lee was speaking at a forum organised by the CNPF [expansion unknown], an organisation representing French employers, and was asked for his views on Vietnam's request to join ASEAN.

The question and answer session that followed his address was wide-ranging, and it included a query on whether Singapore would join the Organisation for Economic Co-operation and Development (OECD).

In reply, BG Lee said that joining OECD was a "heavy responsibility".

As Singapore becomes more developed, expectations are that it will have to take up some of the responsibilities of developed countries, which include a role in the world monetary system and Third World aid.

"We are part of the system, we have to share a proportion and part of the burden. But the proportion of course is very small because even with our prosperity, our GDP is very small.

"Joining OECD is a question of whether if you are in, it will have an advantage and you are able to influence the policies and deliberations of OECD countries, and whether it will be a ceremonial honour which we will find perhaps grander than we can afford."

For the time being, BG Lee does not foresee the need to push for Singapore's membership in OECD.

On Singapore's investments in China, he said they have been "quite remarkable" considering the Republic's small size.

Singapore now has tourism, port and urban renewal projects in China and a niche for local businessmen would be to tie up with a foreign partner to do business with China.

This is because many Singaporeans have the advantage of speaking the same language as the Chinese and they share some cultural similarities.

Cambodia

Further on Soviet Economic Delegation's Visit

Meets With Heng Samrin

BK1212123690 Phnom Penh SPK in English 1105 GMT 12 Dec 90

[Text] Phnom Penh SPK December 12—Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council, received here on December 11 a delegation of the USSR-Cambodia inter-governmental commission for commercial, economic, scientific, and technical cooperation led by its president V.K. Gusev.

Speaking to his guests, President Heng Samrin welcomed the Soviet delegation's visit, describing it as a great contribution to the consolidation and development of the solidarity, friendship, and cooperation, especially the commercial, economic, scientific, and technical cooperation between the two countries.

He informed the guests of the all-sided achievements recorded by the Cambodian people over the past years and the process of a political solution to the Cambodian problem. He expressed thanks to the party, government, and people of the Soviet Union for their spiritual and material support to the Cambodian people in their national defense and construction.

For his part, V.K. Gusev praised the development in Cambodia and highly valued the ties of friendship between the Soviet Union and Cambodia in the past as well as at present. He said that the Soviet Union followed with keen interest the process of a political solution to the Cambodian issue and fully supported the goodwill stance of the State of Cambodia.

He said the Soviet Union would continue to further strengthen the comprehensive cooperation between the two countries, especially in the commercial, economic, scientific, and technical fields.

Cooperation Agreement Signed

BK1312083890 Phnom Penh SPK in French 0410 GMT 13 Dec 90

[Text] Phnom Penh 13 Dec (SPK)—A protocol on trade, economic, scientific, and technical cooperation between Cambodia and the Soviet Union was signed on 11 December in Phnom Penh at the end of the seventh meeting of the Cambodian-Soviet intergovernmental cooperation commission.

The signatories were Chea Soth, member of the Political Bureau of the Kampuchean People's Revolutionary Party [KPRP] Central Committee, vice chairman of the Council of Ministers, and chairman of the Cambodian-Soviet intergovernmental cooperation commission; and V.K. Gusev, member of the CPSU Central Committee, vice chairman of the Council of Ministers, and chairman of the USSR-Cambodia intergovernmental cooperation commission.

The two sides agreed on the implementation of resolutions of the intergovernmental commission's sixth meeting, the cooperation plan for 1991 and the following years, the cooperation mechanism, the objective of the development and exploitation of rubber, and scientific and technical cooperation for five years.

Furthermore, General Nhim Vanda, member of the KPRP Central Committee and trade minister of the State of Cambodia; and Yuriy Myakotnykh, ambassador extraordinary and plenipotentiary of the Soviet Union to Cambodia, also signed an agreement on the mechanism of trade and economic relations between the State of Cambodia's Government and the Soviet Union's Government.

The same day, the Soviet delegation left Phnom Penh.

SRV Control Commission Team Departs 10 Dec

BK1212123890 Phnom Penh SPK in English 0424 GMT 12 Dec 90

[Text] Phnom Penh SPK December 12—A Vietnamese delegation led by Mrs. Vu Thi Hong, member of the Communist Party of Vietnam Central Committee and deputy head of its control commission, left Phnom Penh Monday after a week-long official visit to Cambodia.

While here, the delegation was received by Say Phuthang, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, vice president of the State Council, and president of the Control Commission of the PRPK [Kampuchean People's Revolutionary Party]. The delegation held talks with Mat Ly, Politburo member of the PRPK Central Committee, vice president of its control commission, and vice chairman of the National Assembly, on the work of the two commissions.

It visited the national museum, the Tuol Sleng museum of genocide, the former royal palace, and several economic and cultural establishments in Phnom Penh, the Angkor Wat temple in Siem Reap-Oddar Meanchey Province, and the southeastern border province of Svay Rieng.

Mat Ly Receives Cuban Friendship Delegation

BK1312074690 Phnom Penh SPK in English 0429 GMT 13 Dec 90

[Text] Phnom Penh SPK December 13—Mat Ly, Politburo member and vice president of the Control Commission of the People's Revolutionary Party of Kampuchea Central Committee and vice chairman of the National Assembly, received in Phnom Penh Tuesday a visiting Cuban delegation led by Marta Lidia Rodriguez, head of the Asian Department of the Cuban Institute of Friendship with the Peoples.

Mat Ly recalled the sufferings of the Cambodian people during the nearly four years' rule of the Pol Pot genocidal clique and spoke of their achievements in the cause of national revival over the past 12 years.

On a solution to the conflict, he expressed the Phnom Penh government's goodwill and constructive efforts in seeking an end to the war on the principle of national reconciliation.

He reiterated the Cambodian people's aspiration for a real peace free from the threat of Pol Pot's genocidal practices, stressing that only the Phnom Penh side can prevent the return of Polpotists.

He condemned the three Khmer opposition factions' plot to prolong the war in Cambodia and bring back the genocidal clique to power.

On Cambodia-Cuba relations, he said he was optimistic of the prospect of a further consolidation and development of the friendship and solidarity between the two countries, and thanked the party, government and people of Cuba for their wholehearted assistance and support to the just struggle of the Cambodian people.

In reply, Ms. Marta Lidia Rodriguez briefly told Mat Ly of the results of her visit here and pledged to make known to the Cuban people the advancement of the Cambodian revolution and inspiring growth of the Cuba-Cambodian friendship and solidarity.

She also informed the Cambodian leader of the new development taking place in Cuba, especially in the economic field and national defence.

Cuban Ambassador Ivone Suarez Roche was also on hand.

Red Cross Aid Distributed in Siem Reap Province

BK1312092890 Phnom Penh SPK in French 0414 GMT 13 Dec 90

[Text] Phnom Penh 13 Dec (SPK)—The Cambodian Red Cross recently distributed 24 types of utensils and foodstuffs to 1,500 families of war refugees in Siem Reap-Oddar Meanchey Province, 300 kilometers northwest of Phnom Penh.

These victims of attacks by opposing Cambodian forces received, among other items, cooking pots, canteens, hoes, axes, knives, buckets, plastic sheets, sleeping materials, and foodstuffs, offered by international organizations [words indistinct] Redd Barna and PAM [expansion unknown].

SPK Reports Reduced Rice Crop in Battambang

BK1312070090 Phnom Penh SPK in English 0425 GMT 13 Dec 90

[Text] Phnom Penh SPK December 13—Monsoon rice harvest in Battambang, a northwestern border province 300 kms from Phnom Penh, is likely to fall short of expectation this year due to unfavourable weather and the Khmer bandits' harassments.

The provincial agriculture service predicted that the average per-hectare yield would drop to 1.2 tons from about 1.8 tons [tonnes] last year, and that total output is expected at 118,000 tons out of the yearly target of 270,000 tons. However, the harvest would meet the needs of the province's population of a half a million and would help make Battambang Province self-supporting as usual.

This year, Battambang cultivated 114,000 ha of monsoon rice, or about 75 per cent of the target, roughly the same as in 1989, but only 90,000 ha are harvestable and the rest is destroyed either by insects or bad weather.

To make up for the poor monsoon rice harvest, the peasants planted 870 ha of subsidiary food crops, or an increase of 170 ha over last year. The 300 ha of cassava and potato grown this year are expected to yield averagely between five and six tons each.

In the oncoming dry season, the local peasants are preparing 1,240 ha for rice cultivation to maintain the province's status as one of Cambodia's rice granaries.

Obstacles to Refugee Relief Efforts Viewed

BK0912035490 Bangkok THE NATION in English 9 Dec 90 p B2

[By Diane Weathers of the World Food Programme]

[Excerpts] It is a sweltering hot Saturday morning in Phnom Penh. At the office of the World Food Programme (WFP) where, as in much of the city, electricity comes and goes, rendering air conditioning useless. Several dozen men and women are crowded around a large, oblong conference table. The Displaced Persons Coordinating Committee, an ad hoc gathering of relief agencies, is now meeting weekly in an effort to better channel assistance to the 137,000 people the Cambodian Government estimates have been made homeless by the recent months of fighting.

Food is by far the biggest worry. Cambodia's food supply situation is rapidly deteriorating. Stocks from last year's rice harvest are quickly being used up feeding the swelling numbers of war displaced. With fighting forcing many people to abandon their paddy fields, and a severe shortage of both rain and fertilizer, preliminary forcasts of the 1990-91 rice harvest project a shortfall of 150,000 tonnes.

Scott Leiper, head of the WFP Phnom Penh office, announces at the meeting that enough rice is in the pipeline to continue supplying 800 metric tonnes per month through June of next year. Beginning in December, 50-75 tonnes of vegetable oil per month will be available for the same period. British relief agency, Oxfam will also provide oil, salt and fish. The representative from AIDAB, the Australian aid agency, pledges $100,000 in Australian dollars to buy other needed commodities.

As the morning and the heat wear on, people take turns announcing what they can do: A pledge of $14,500 from the American Friends Service Committee for farm tools and seeds for Kompong Chhnang; Oxfam will help bore wells in Battambang and Banteay Meanchey provinces; vaccines, drugs and school materials from UNICEF; clothes from the Swedish Red Cross. The list goes on.

Resources are not a major problem. At least not yet. The tricky part is ensuring that assistance actually reaches those who need it. Logistics inside Cambodia are difficult in the best of times. But now, some areas are so bad, Siem Reap for one, that thousands of needy people simply cannot be reached.

The Cambodian Red Cross, responsible for distributing much of the food and other aid, suffers from both a shortage of trucks and skilled personnel. On top of that, many relief agencies, long struggling to address Cambodia's everyday crises—in health care, education, sanitation, water supply management and other basic areas—are now overwhelmed by the added burden caused by events of the past year.

"All of us had problems trying to provide ordinary relief assistance," says one relief official. "Now we find ourselves dealing with an entire new range of problems."

This is not what had been expected.

For a while it seemed that peace was at hand in Cambodia. There were high hopes of a ceasefire, national elections, an internationally-recognized government and a massive United Nations- administered repatriation effort of the more than 300,000 Cambodians living in camps along the Thai-Cambodian border.

At Site 2, the crowded and dusty camp 80 kms from Aranyapathet and just a half kilometre from the Cambodian border, many of the 176,000 residents have already been surveyed as to where in Cambodia they wish to return. As a safety precaution—some say a futile one—against the dangers that will remain in Cambodia's forests and mountains for some time to come, people have even been tested on their awareness of land mines. "Have you ever been in a mine field," questioners have asked. "Have you seen a mine explode?" [passage omitted]

In Battambang and elsewhere in Cambodia a different scenario is unfolding. Promises of imminent peace are being replaced by threats of increased fighting and the prospect of more people being forced from their homes. [passage omitted]

As the stalemate in the peace talks continue, relief workers now find that instead of gearing up to welcome returning Cambodians home, they now are mostly trying to address the needs of this new group of war displaced. [passage omitted]

Some view the efforts underway, to assist this new group of war displaced, as a "trial run" for repatriation. Even though the most die-hard optimists are no longer predicting an outbreak of peace tomorrow, most people still expect it will come—eventually.

The United Nations has been planning for a year and a half for the return home of the people living in the border camps. Barring the long delayed resettlement of the nearly four million Afghan refugees in Pakistan and Iran,the Cambodian operation will be the largest in the UN's history.

Contingency plans have been drawn up for organizing transit centres and providing each person with an assistance package to tide them over until they can make it on their own. A basic part of that package is food.

The World Food Programme, the UN's food aid arm, which has been channelling bilateral food assistance for the border camps, has already begun looking into prepositioning food stocks and warehouses and even into such seemingly mundance concerns as the feasibility of purchasing prahok, the Cambodian fish paste. Is local production adequate to ensure stable supplies? If so, it would be far preferable to providing the returnees with fish shipped in from elsewhere.

But while the UN resettlement plans remain on the drawing board, relief workers inside Cambodia are gearing up for more storm before the long-awaited calm.

"Unless the parties involved in the negotiations settle on something soon, the fighting is going to escalate," says WFP's Leiper. "More people will be maimed, more people will be killed. The peace process is going to happen sooner or later; we all wish it would happen sooner."

Son Sann Decries Hun Sen for Rejecting Talks

BK1312063890 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 13 Dec 90

[Text] His Excellency Son Sann, president of the Khmer People's National Liberation Front and a member of the Cambodian Supreme National Council [SNC], has criticized Hun Sen for rejecting Samdech Norodom Sihanouk's proposal for a new round of talks in Paris and for rejecting major points of a UN peace plan to end the war in Cambodia. According to this peace plan, the SNC will hand power over to the United Nations to organize general elections in Cambodia until a government genuinely elected by the Cambodian people has been set up.

His Excellency Son Sann also said the deadlock can be broken if the cochairmen of the Paris International Conference on Cambodia—France and Indonesia—convene another meeting of all Cambodian parties in Paris. He proposed that all Cambodian parties accept this peace plan for Cambodia.

There are reports saying that the cochairmen of the Paris conference plan to convene a meeting of Cambodian parties on 19 December. The newsroom of the Voice of the Khmer radio has just learned that Hun Sen is trying to avoid a meeting with the cochairmen in Paris by proposing a meeting of Cambodian parties in Bangkok instead. These reports also say that Hun Sen has proposed this meeting in his name as prime minister of Cambodia.

Various observers say Hun Sen's proposal for a meeting puts into effect Hanoi's plan of avoiding a meeting with the cochairmen in Paris and is aimed at showing the world that the Cambodian issue is an international one brought about by Cambodian parties and not Hanoi. Furthermore, it has been specified that Hun Sen has no right to convene any Cambodian parties for a meeting in his name as prime minister of Cambodia because the Hun Sen regime is illegal.

SRV Experts To Train 'Puppets' in Kompong Thom

BK1212014090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Dec 90

[Excerpt] On 8 December, five Cambodian soldiers, including a company commander, in Kompong Thom Town deserted the Vietnamese aggressors and the traitorous puppet clique of Hun Sen and Heng Samrin, lackeys of the Vietnamese aggressors, and fled back home.

They told our people's united forces and the national council in their village about the situation of the Vietnamese aggressors and their puppets, Hun Sen and Heng Samrin, who are cheap lackeys of the Vietnamese aggressors, in Kompong Thom Town. They also told our people that between 10 and 15 December, the Vietnamese aggressors will send four Vietnamese military experts from Vietnam to train the Vietnamese special forces and the puppet Hun Sen-Heng Samrin ringleaders in Kompong Thom Town on how to seize liberated villages from our people. This report has cautioned our people to heighten their vigilance and be prepared to defend their villages and communes. [passage omitted]

Preah Vihear Unit 'Seriously' Lacks Food, Ammo

BK1312052690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Dec 90

[Excerpts] Three Cambodian soldiers belonging to the 5th Division, who recently fled to join our people's great united forces in Rovieng District, Preah Vihear Province, told our people that the troops of the Vietnamese enemy aggressors and their puppets and traitors to the nation in the 5th Division stationed in Preah Vihear Province seriously lack food and ammunition. Soldiers have revolted against their Vietnamese and puppet superiors demanding rice. [passage omitted]

The two mains reasons for this shortage of rice in the 5th Divisions are:

1. Our Cambodian people in Preah Vihear Province have united and formed great united forces in villages and communes and fought the Vietnamese enemy aggressors and Hun Sen and Heng Samrin, Vietnam's puppets and traitors to the nation, and set up successive village and commune councils.

2. Route 12, the main artery for supplying rice and ammunition to the Vietnamese enemy aggressors in the 5th Division, has been successively blocked and cut off at many places. [passage omitted] The Vietnamese enemy aggressors and their puppets, Hun Sen and Heng Samrin, Vietnam's lackeys and traitors to the nation, cannot use Route 12; they rely on the Stung Treng-Preah Vihear road. But obstacles abound along this road. On the one hand, the Mekong River route between Kratie and Stung Treng is hazardous. Ships and boats cannot pass easily. Furthermore, the road from Stung Treng to Preah Vihear is a long one and goes through a large patch of forest called Prey Lang. Our Cambodian national resistance forces stationed in this area have cooperated with our people's great united forces and have set up successive village and commune councils. We have also felled trees and planted mines to block many sections of the Stung Treng-Preah Vihear road. [passage omitted]

Indonesia

Suharto Commissions Nuclear Research Facilities

BK1312045890 Jakarta Domestic Service in Indonesian 0600 GMT 12 Dec 90

[Excerpt] President Suharto today commissioned a new (?radiometallurgical) installation and a National Atomic Agency reactor technology and safety installation at the Research Center for Science and Technology in Serpong, West Java.

In his welcoming speech, President Suharto said with the commissioning of the two installations, nuclear scientists will be able to conduct experiments in nuclear ignition and research nuclear structural components. The president stressed the importance of mastering science and technology, especially in carrying out agricultural development programs and accelerating the industrialization process. Without science and technology, it is impossible for the country's agriculture and industry to progress. A massive supply of electricity is needed in the future to support large-scale agricultural and industrial programs. Research studies show that in 25 years, the demand for electricity in Java alone will have to be met by the existing hydro, geothermal, natural gas, and coal-generated power plants. Therefore, the construction of nuclear power plants is necessary. [passage omitted]

House of Representatives Ratifies Timor Treaty

BK1212125690 Hong Kong AFP in English 0938 GMT 12 Dec 90

[Text] Jakarta, Dec 12 (AFP)—The Indonesian parliament ratified Wednesday a government treaty signed with Australia a year ago to jointly develop the potentially oil-rich Timor seabed, a spokesman for the House [of Representatives] said.

Three parliamentary factions gave their wholehearted support to the bill on the Timor Gap Treaty at a plenary session. The nationalist Indonesian Democratic Party (PDI), the smallest faction, said it did "not object."

The agreement allows the two governments to jointly manage the 60,000 square kilometer (23,200 square mile) area on which both have overlapping territorial claims, to explore for oil and gas.

It splits the area into three zones, one to be managed each by Indonesia and Australia but with another receiving a share of the tax revenues. The third and largest will be jointly administered, with income split into half. The Australian Parliament has already endorsed the treaty.

Wednesday's ratification followed weeks of intense debate with the government as Parliament questioned whether Indonesia might have given up too much in signing the treaty. The government said the deal was the best result of 10 years of negotiations with Australia to establish a definitive continental shelf boundary.

Foreign Minister Ali Alatas assured Parliament Wednesday that the agreement would not jeopardize the territorial claims of both governments and the negotiations to set the boundary line, but warned that the prospect to reach a comprehensive agreement "remains uncertain."

A PDI spokesman stressed that the area administered by Indonesia was wholly Indonesian territory and that the government should make sure of this when negotiations resume with Australia to determine the border line.

The party also had some reservations about the 40-year validity of the treaty, which it said was too long but Mr. Alatas said the length of time was justifiable in order to attract oil companies to invest in the area. The other parties urged the government to use the workforce and facilities from the Timor island as far as possible once the treaty to develop the area became operational.

Laos

Ministers Conferred With Medals for Achievements

BK1312113890 Vientiane Domestic Service in Lao 0000 GMT 8 Dec 90

[Text] On the evening of 5 December, a ceremony was held at the Ministry of Public Health to confer the First Class Itsala Order, the First Class Revolutionary Victory Order, the First Class Labor Order, the Anti-French Imperialist Medal, the Anti-U.S. Imperialist Medal, and the Five-Year Commemoration Order on Public Health Minister Comrade Khambou Sounisai and former Public Health Minister Souk Vongsak who already passed away.

Comrade Oudom Khatthi-gna, alternate member of the party Central Committee Political Bureau and head of the party Central Committee Organizational Board, had the honor to confer the orders on the said persons.

On 1 December, a ceremony was also held at the Foreign Economic Relations Ministry to confer the First Class Itsala Order on Comrade Phao Bounnaphon, minister of the said ministry. Comrade Sali Vongkhamsao, member of the party Central Committee Political Bureau and minister of economy, planning, and finance, had the honor to confer the order on Comrade Phao Bounnaphon.

The conferment of the orders on the said persons were in recognition of their achievements scored in and contributions to the revolutionary cause and national liberation struggle in the past, as well as to the national defense and national construction at present.

Phoun Sipaseut Mourns Death of Malay Premier

BK1312104090 Vientiane KPL in English 0902 GMT 13 Dec 90

[Text] Vientiane, Dec 13 (KPL)—Mr. Phoun Sipaseut, vice chairman of the Council of Ministers [CM] and minister of foreign affairs, yesterday led a mourning party, on behalf of the government and people of Laos, to lay a wreath at the Malaysian Embassy here to mourn for the former prime minister of Malaysia, Tunku Abdul Rahman Putra Alhaj, who passed away on December 7, 1990 at the age of 87.

Accompanying the CM vice chairman were Mr. Souban Salitthilat, deputy foreign minister, and officials concerned in the Lao Foreign Ministry.

Tunku Abdul Rahman Putra Alhaj was born in 1903 and assumed the post of Malaysian prime minister during 1957-1970.

Daily Wishes Kaysone Good Health on Birthday

BK1312093990 Vientiane KPL in English 0847 GMT 13 Dec 90

["Editorial: Wishing Party General Secretary Kaysone Phomvihan Good Health"—KPL headline]

[Text] Vientiane, Dec 13 (KPL)—PASASON daily newspaper, organ of the Lao People's Revolutionary Party Central Committee [LPRP CC], today front-pages an editorial in connection with the 70th birthday of Kaysone Phomvihan, general secretary of the LPRP CC (December 13, 1920).

The paper describes his great devotion to the revolutionary cause of the country which involved his leading activities, together with other Lao leaders, in mobilizing, organizing, and guiding the Lao people of ethnic groups to struggle against French colonialists and American imperialists till the final victory, and ever since guiding the Lao people in national defence and development at the new stage.

The paper says General Secretary Kaysone Phomvihan in early 1946 started his revolutionary activities for the national liberation, and since the first congress of the Lao PRP [People's Revolutionary Party], he has been successively elected as party general secretary. With his fine working style, Kaysone Phomvihan has been considered as the core of the unity and the unanimity among cadres, party members, and Lao people. Excellent is his resolve to consistently do and lead the revolution, applying tactics to realize the strategy of the revolution. Being very quick conscious of the new development, in 1979 he proposed the introduction of the new thinking and more consistent new economic mechanism to advance the national socioeconomic development.

Also today, the paper issues his biography. He was born on December 13, 1920 in Naseng village, Khanthabouli District, Savannakhet Province, a child of Mr. Luan, a public servant, and Mrs. Dok, a peasant.

After completing his primary study in Savannakhet, Kaysone Phomvihan continued his study at the Protectirat School in Hanoi.

In 1943 when he was 23, he completed his secondary study "Baso." Then he attended the Law University in Hanoi, Vietnam. He took part, in 1936 and 1939, in the Vietnamese Youth Movement for Freedom and Democracy; in 1944, [became] member of the Youth Association for National Salvation; in 1945, joined in the seizure of power in Savannakhet from the Japanese; in 1946, joined the Lao-Vietnamese Contact Committee in Hanoi; in 1947, worked for the propaganda unit of Region 12 of northern Vietnam; in 1948, headed the northern Lao shock brigade; in 1949, [became] commander-in-chief of the Lao Itala Army; in 1949, [became] full member of the Indochinese Communist Party; in 1955, jointly founded the Lao People's Party; in 1955-1957, supervised the struggle to protect the two revolutionary base provinces of Sam Neua and Phong Saly.

Since the first congress of the party in 1955, he has been successively elected party general secretary, and appointed as chairman of the Council of Ministers of the Lao PDR [People's Democratic Republic] since 1975.

U.S. Peace Group Members Meet With Leaders

BK1312102490 Vientiane KPL in English 0858 GMT 13 Dec 90

[Text] Vientiane, Dec 13 (KPL)—The acting president of the Lao PDR [People's Democratic Republic], Mr. Phoumi Vongvichit, received at the Presidential Palace, yesterday a delegation a U.S. peace organisation led by its director, Mr. Paul Coverdale.

During its visit, the American peace delegation also paid courtesy calls on Mr. Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, and other senior Lao officials.

At each meeting, the American delegation discussed with the Lao side the improved relations between Laos and the United States of America and the possibility of the American organisation to provide teachers of English in enterprise management sector to respond to the Lao side's demand.

The American peace delegation arrived here on December 10, and left here for home yesterday.

Philippines

Premier Li Peng's 'Official' Visit Previewed

HK1212055290 Manila PHILIPPINE NEWSDAY in English 12 Dec 90 pp 1, 2

[By reporter Arthur I. Bariuad]

[Text] Chinese Premier Li Peng is scheduled to arrive in the Philippines tomorrow for a three-day official visit aimed at renewing Beijing's ties with Manila and strengthening its diplomatic position in the Asian region.

Foreign Affairs Undersecretary Manuel T. Yan told diplomatic reporters that Li's visit to the country is part of his 10-day "Asian goodwill tour in the region" which began in August.

The Chinese leader who is heading a 49-member-delegation which includes Foreign Minister Qian Qichen is also expected to raise the One-China policy issue with President Aquino and seek her assurance that Manila will continue to comply strictly with the 1975 accord.

Li will also meet with Foreign Secretary Raul Manglapus, Senate President Jovito Salonga and Speaker Ramon Mitra Jr.

But, Yan said, it is not yet definite if the One-China policy issue will be discussed, although he indicated that it "may be touched."

He said that the visit aims to broaden the existing bilateral relations between the Philippines and the People's Republic of China (PRC) and is primarily a "getting-to-know-you" affair.

He also said that controversial issues like the Spratlys will not be discussed. The Spratlys is a group of islands in the South China Sea which is being contested by the Philippines, China, Taiwan, Vietnam, Malaysia, and lately, Brunei Darussalam.

However, diplomatic sources said that Li is set to remind the Manila government that Beijing will not tolerate any official contacts with Taiwan, which is regarded by Beijing as only a province of China.

The PRC embassy in Manila at the height of the deliberations on the proposed Philippines-Taiwan Beneficial Relations Act raised serious concern over its implications which it said amounted to recognizing Taiwan as a political entity, thus creating "one China, one Taiwan or two Chinas."

It also complained of increasing Cabinet level trips to Taipei. The embassy warned that Beijing would not hesitate to sever diplomatic ties with the Philippines if the One-China policy is violated, as it did with other countries which opened official ties with Taiwan.

The 1975 agreement signed between the Philippines and PRC when they formally opened diplomatic ties provides that Manila will only recognize the Beijing government as the sole legitimate representative of the whole of China.

The second Asian goodwill tour of Li includes Malaysia, Laos, and Sri Lanka.

In August this year, Li embarked on a three-nation Asian swing through Indonesia, Singapore and Thailand.

His visit to Jakarta resulted in the ending of a 23-year rift between Indonesia and PRC and the resumption of diplomatic relations between the two countries.

Manglapus Reiterates One-China Policy

HK1312033090 Manila PHILIPPINES NEWSDAY in English 13 Dec 90 pp 1, 2

[By reporter Arthur I. Bariuad]

[Text] Foreign Secretary Raul Manglapus yesterday said that the Philippines will reiterate its continued adherence to the One-China policy, an issue which has caused strains on Manila's 15 year diplomatic relations with Beijing, in talks with People's Republic of China (PRC) Premier Li Peng who arrives today for a three-day official visit.

President Aquino will lead government officials in welcoming Li at the Ninoy Aquino International Airport (NAIA). Li is accompanied by his wife Madame Zhu Lin.

Other members of Li's official party include Qian Qichen, PRC's minister of Foreign Affairs and his wife Madame Zhou Hanqiong; Chen Jinhua, minister in charge of the Commission for Restructuring the Economic System Under the State Council; Li Lanqing, vice minister of Foreign Economic Relations and Trade; Tao Siju, vice minister of Public Security and Xu Dunxin, assistant minister of Foreign Affairs.

Upon his arrival, the visiting PRC official will be accorded full military honors. In the evening, he will call on Mrs. Aquino at Malacanang's Music Room. After the call the President will host a dinner in honor of Li at the Palace's ceremonial hall.

Tomorrow, after offering a wreath at the monument of Philippine national hero, Dr. Jose Rizal at Luneta Park, Li will have a one-on-one meeting with the President, in Malacanang, at the Palace's main conference room.

In the afternoon, Li will meet with other government officials, like Vice President Salvador H. Laurel and Speaker Ramon V. Mitra Jr. He will also meet with the Chinese community at the Manila Hotel.

Li will leave the country on December 15, after a meeting with Senate President Jovito Salonga at the Executive House.

The Philippines and China further strengthened their economic, cultural and technological cooperation when President Aquino visited Beijing in April 1988.

The President's three-day stay in China was highlighted by her meetings with Chinese leaders including Chairman Deng, Communist Party Chief Zhao Ziyang, Premier Li Peng, and President Yang Shangkun.

The President was assured by the Chinese leaders during her PRC sojourn that China would not support the Communist Party of the Philippines-New People's Army (CPP-NPA) which had been outlawed by the Philippine government.

The President's visit also concluded an agreement and a protocol under which the two countries sought to increase their bilateral trade, from $293 million to $450 million in 1988 and from $600 million to $800 million during the next five years, ending in 1992.

The expanded trade relations was provided under the 11th Trade Protocol signed between Trade and Industry Secretary Jose Concepcion, Jr. and Chinese Foreign Economic Relations and Trade Minister Zheng Tuobin on April 16, 1988.

PRC has been one of the top 20 trading partners of the Philippines since 1981. It established diplomatic relations with the Philippines on June 9, 1975.

Manglapus said that bilateral relations between the Philippines and the People's Republic of China will be discussed including the "question of visa policy of the Philippines which has already undergone a substantial positive change in favor of regularizing the visa requirements."

He also said that the "Cambodian conflict is also very important, very high on our agenda."

Manglapus is also set to meet tomorrow with his counterpart Foreign Minister Qian Qichen and he will be briefed on the "steps China is taking as a member of the Permanent Five of the Security Council in the matter of the situation in Kuwait and Iraq."

Earlier, a ranking official of the Department of Foreign Affairs said that the Philippine government will seek "an assurance from the Chinese government of a steady oil supply at a favorable price aside from correcting the trade imbalance" which amounted to $133 million in favor of China.

The same informant also said that controversial issues like the territorial jurisdiction over the Spratlys will not be raised.

"Definitely we will not raise it but I don't know if they will bring it up," he said.

According to the source, unofficial communications indicate that the Chinese delegation will not raise the matter. "It's best left dormant," he said.

He said however, that if it will be raised by China, the Philippines will be ready to respond.

The Spratlys is a group of islands off the South China Sea which ownership in part or in whole is being contested by the Philippines, China, Taiwan, Vietnam, Malaysia, and lately Brunei Darussalam.

However, reports said that the PRC has "mentioned a joint initiative to explore and exploit those islands and atolls instead of talking about sovereignty."

Manglapus also said that he "might ask why, in the joint communique between China and Singapore, there was no mention of the One-China policy."

In all joint communiques of China with other countries, the One-China policy is already mentioned. It mandates that the Beijing government is the sole legitimate representative of the whole of China.

Taiwan is regarded by Beijing as only one of its provinces.

Tomorrow, Li will meet with the local Chinese community at the Manila Hotel.

Li will leave the country on Saturday for Laos and Sri Lanka for the conclusion of his second Asian swing this year.

Li Peng Arrives in Manila

HK1312100490 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Dec 90

[Report by Loy Caliwan from the Ninoy Aquino International Airport—live]

[Text] The national anthems of both countries have just been played and the ceremonial march has been completed, honoring heads of state Premier Li Peng and President Aquino [words indistinct] here on the tarmac of the Ninoy Aquino International Airport. The commanding officers of the Philippine Air Force, Philippine Navy, and Philippine Constabulary under the leadership of General Renato de Villa have saluted and shaken hands with Premier Li Peng. Everyone is waiting beside the red carpet—government oficials, cabinet members, and some Chinese officials.

Premier Li Peng is now shaking hands with Vice President Salvador Laurel, Foreign Affairs Secretary Raul Manglapus, and [passage indistinct] cameramen and news photographers who have come from the PRC accompanying Li Peng. Our own local media are well organized, leaving as soon as they have taken their shots or videotapes for their respective television stations so that they can clear the way for President Aquino and the visiting Li Peng.

The two leaders are now a few meters away from the presidential car, a Mercedes with plate number PNL-301, which will take President Aquino, Li Peng, and his wife Madame Zhu Lin to the Manila Hotel, where Li Peng's delegation will be billetted for the next three days.

The arrival of Li is expected to improve relations between the two countries. Discussion is expected to revolve around the One-China policy, which recently became a point of discord in the relations between the two countries. Yesterday, it was learned from President Aquino that she may visit Taiwan although no schedule has been given for the visit to Taipei.

Aquino Rejects 'Doomsday' Calls to Resign

HK1312032890 Manila THE MANILA CHRONICLE in English 13 Dec 90 p 6

[By Lito Zulueta]

[Text] President Aquino rejected anew yesterday calls from "doomsday prophets" for her to resign to pave the way for early national elections.

"The elections will be held in May of 1992 as mandated by the Constitution. This is what our people approved and what they expect," she said in a statement.

Mrs. Aquino also described those urging her to resign as "doomsday prophets" who were doing a "disservice to our people who need leadership and inspiration to summon the best in them to surmount our present difficulties."

She was apparently referring to Senators John Osmena, Ernesto Maceda and Juan Ponce Enrile who had asked the entire government—the executive and legislative—to resign so that the President could call for early elections in May 1991.

They warned that the government might not make it until 1992 when Mrs. Aquino finishes her six-year term.

In her statement, the President also dismissed remarks by businessman Eduardo "Danding" Cojuangco, a Marcos crony and her estranged first cousin, that she was a weak leader and that her government was "a fairy tale turned horror story."

"My cousin's statement is obviously self-serving," Mrs. Aquino said, alluding to Cojuangco's ambitions.

Last week, the President had rejected demands for her to quit, saying that a "strong leadership, not resignation" was what was needed in the ongoing crisis.

Aquino's Call for Special Session Heeded

HK1112040090 Manila MANILA BULLETIN in English 11 Dec 90 pp 1, 6

[By Rod L. Villa]

[Text] The House of Representatives yesterday heeded President Aquino's call for a special session starting Dec. 17 as it opened plenary action on the national budget for 1991, amounting to P [Philippine pesos] 275.8 billion.

Speaker Ramon V. Mitra Jr. said the calling of a special session is President Aquino's constitutional prerogative, which Congress must respect.

Mitra said the House "still has no concrete idea of the President's agenda," but the assembly will oppose new taxes.

Mrs. Aquino invited Mitra and Senate President Jovito R. Salonga to a conference in Malacanang tomorrow to explain the urgency of enacting a package of tax measures to help the government.

Speaker Pro Tempore Antonio V. Cuenco (LDP [Struggle of Philippine Democrats], Cebu City) said the House has received word the special session will be convened Monday following the adjournment of the regular session on Friday.

Rep. Rodolfo R. Andaya (LDP, Camarines Sur) led his committee in presenting House Bill 32939 on next year's budget which, he said, his committee is prepared to act on "with extreme fiscal prudence in the face of resource shortfalls to nurse a fragile economy battered by mounting economic pressures."

He said the outlay, P20 billion less than this year's P297-billion budget, was "severely reduced" to enable the nation to battle inflation, the currency problem, low productivity, high import costs, and a budgetary deficit.

Assisting him in submitting the budget were Rep. Thelma Almario (LDP, Davao Oriental), Rep. Ismael Mathay (LDP, Quezon City), Rep. Felicito Payumo (LP, Bataan), Rep. Emigdio Tanjuatco (LDP, Rizal), Rep. Joaquin Chipeco (LDP, Laguna), and Rep. Edcel Lagman (LDP, Albat).

Lagman said the budget "is not only cut to the bone but also sapped to the marrow."

The committee, he said, cut P10.8 billion off the maintenance and operating expenses and capital outlay of the executive department, other state offices, and "frontline agencies."

He added that the overall infrastructure budget for roads, school buildings, and others has been reduced to P5.7 billion, 16.9 percent below this year's program, and 31.8 percent less than the original proposal for 1991.

Considering the drastic increase in fuel price and construction costs, he said, roads, water, wells, schoolrooms, and other projects wil be cut by 50 percent of the original proposal, eliminating thousands of jobs.

Ramos Views Police Bill, Peace Situation

HK1212152190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 12 Dec 90

[Interview with Secretary of Defense Fidel V. Ramos by Joe Taruc on the "Liberty in Action" program—live; passages in italics in English]

[Excerpts] [Taruc] Good morning, this is Joe Taruc. Today, Wednesday, we will discuss a topic related to peace and order. President Corazon Aquino is set to sign what is termed the PNP [Philippine National Police] Bill. This is a proposed law, ratified by Congress, which aims to set up the Philippine National Police and, together with this, the formation of a Department of Interior and Local Government [DILG]. The former DLG [Department of Local Government] will now be the DILG. In relation, we thought it fitting to invite the secretary of the Department of National Defense [DND]. [passage omitted]

Good morning Secretary Ramos.

[Ramos] Good morning Joe, thank you for giving me the opportunity to appear on your station.

[Taruc] Secretary, we will no longer beat around the bush because we have so many questions to ask you. [passage omitted]

What are the effects of the PNP Bill on your department?

[Ramos] Okay Joe, the Department of National Defense will only lose one committee, the National Action Commitee on Hijacking, or NACA, which was established in the early 1970's to take care of the hijacking problem, principally hijacking of airplanes. This will be transferred to the DILG.

[Taruc] And also the PC-INP [Philippine Constabulary-Integrated National Police]....

[Ramos] Uh, yes of course, only the PC, because the INP is not under the supervision of the Department of National Defense, but the National Police Commission [Napolcom]. We are thankful because the Office of Civil Defense remains in the Department of National Defense. You see, what is required is instant response and it is our Armed Forces of the Philippines [AFP] which have the capability for instant response. That is why I think it is a good thing that that office remain with the DND.

[Taruc] Secretary, how would this affect your maintenance of peace and order?

[Ramos] Okay, in the provisions of the proposed law, there is a transition period of 24 months, extendable for another 24 months. That is why there are around four years in case that will be the president's decision for a transition period. But after the transition period, the chief of staff of the AFP [Armed Forces of the Philippines] and the director-general of the new PNP and the two department heads should be closely coordinated because there will be a transfer of responsibility for the internal security, or peace and order campaign, from the DND to the DILG. I think that while we are at the height of our counterinsurgency campaign, the main effort should be with the AFP first because the PNP cannot gain instantaneous capability. [passage omitted]

[Taruc] Okay, Mr Secretary let us shift to one of the hottest topics in the country, the increase in prices of petroleum products.

[Ramos] Yes, Joe, we are all affected by that.

[Taruc] Our countrymen know that the increase or adjustment in the prices of petroleum products affects peace and order. A lot of people are wondering why you weren't given advance information regarding the decision.

[Ramos] Well, Joe, that's already been done and everyone knows how the ERB [Energy Regulatory Board] decision was broadcast. [passage omitted] That was really one of our problems because each and every department has their own responsibilities relating to the increase of oil products. For us at the DND, we need to prepare for troop deployment to prevent any civil disturbances. Although we were given such short notice, we were able to deploy our troops that night. We got together with General Biazon, the acting chief of staff that day, and we ordered all regional commanders and area commanders all over the Philippines and there wasn't any vacuum or neglect on the part of the military and the police.

[Taruc] Didn't you issue a reminder, especially to the authorities of the ERB, that next time they make a similar decision, they should give notice at least to the DND?

[Ramos] We have already told them that because, as it happened, we really had to scramble and it's a good thing that our peace and order personnel were present during the strikes, rallies, and demonstrations which ensued and that there were no really violent incidents unlike Nationwide Strike Two last 24 November. There have been reports of paralyzed public transport in Mindanao, but their rallies and demonstrations have not been violent and at this point it is a legitimate strike.

[Taruc] [passage omitted] What is your general assesment on the effects of the oil price increase on our peace and order situation?

[Ramos] You know, Joe, because the ERB has rolled-back twice, even though it still remains high, I think it will settle down after a while because we cannot really avoid the price increase of oil products. [passage omitted]

What is important are the possible civil disturbances that could result from the wage issues. The effects of the oil price increase would be the gradual price rise of prime commodities. And so, this will affect all sectors. This is what we are preparing for and we hope that the government will hold dialogue and positive measures to solve this problem.

[Taruc] Mr. Secretary, the protest actions did not really affect Metro Manila but in the Bicol region, particularly in the cities of Naga and Legazpi, and in the province of Camarines Sur, public transport has been paralyzed 100 percent. We have received information that only military trucks are ferrying commuters.

[Ramos] Well, we have also received these reports from the regions, as well as in Davao and other major cities in Mindanao where this is taking place. But dialogue continues to take place between officials and directors of the various agencies in Visayas and Mindanao and they are awaiting the adjustment of transportation rates because transport companies will run out of business if this is not adjusted. [passage omitted]

So, we at the Department of National Defense are not only preparing for possible violent incidents, but also for the granting of public service by means of free transport.

In the meantime, we are providing maximum security to our important facilities such as power-generating plants, oil supply depots, etc.

[Taruc] Secretary, is there any truth to the information that more than 5,000 military troops were brought in from the provinces to Metro Manila because of the oil price increase?

[Ramos] I don't think that is correct Joe, because each region has its own problems in connection with the transport strike and they are mandated to take care of their respective regions. In case reinforcements were moved into Manila, it wouldn't be that great a number. What we normally do is bring in the headquarters clerks, service personnel who are not really for operations and we deploy them for anti-civil disturbance missions. But the attitude that we have is one of maximum tolerance towards demonstrators and protesters and to give free transport, assistance to the travelling public. [passage omitted]

[Taruc] Secretary, before we change topics, you know many of our countrymen are apprehensive because of the problems which the country faces. What is your personal assesment, will President Aquino be able to complete her term of office until 1992 without any major catastrophes taking place?

[Ramos] You know Joe, my view is that our country's biggest problem is in the economic sphere. Not so much with the military threats. I believe that the threats coming from the CPP-NPA [Communist Party of the Philippines-New People's Army], including their political front the National Democratic Front or NDF and the ones coming from the Moro National Liberation Front [MNLF], seccesionists, as well as the ultra-rightists, the military rebels and their political supporters have become secondary already. Although, exactly one year ago, the armed threat was our main threat. Now, in my view, the economic crisis is really serious because its source is both internal and external conditions—the Middle East for instance. And the adjustments in the superpower rivalry which gives opportunities for minor or regional powers to also assume dominance; this is also taking place but we do not have control over it and we really must be united so we will have only one objective, one program to solve the economic crisis.

[Taruc] Mr Luis Jalandoni, the NDF vice-chairman, has released information this morning that they are ready to hold peace talks or participate in peace talks with our government. As DND secretary, would you favor holding peace talks with this group?

[Ramos] Actually, the position of the NDF, as ex-Father Jalandoni stated the other day, this has already been rejected by the government a long time ago, as early as September 1990. While we are in favor of the peace process in the government, what we are giving priority to now are the people-initiated... [changes thought] those coming from the masses, from the ordinary citizens and are community based. This is what we are tackling now with the peace panel, with Secretary Drilon as chairman on one side and Senator Tanada and Congressman Gillego as spokesmen of the so-called peace advocates. But the NDF keeps insisting on the comprehensive political solution and the agenda to be discussed. All those issues which should not be discussed... [changes thought] because the NDF, the CPP-NDF-NPA that is an illegal organization and let us start step by step and give priority to what our countrymen really need.

[Taruc] The other day, two labor leaders were slain inside Ateneo University, and yesterday a lawyer and policeman were ambushed and killed. Are these signals that the extreme left is intensifying its operations?

[Ramos] Their current strategy is to transfer from the rural areas and operate instead in the urban areas because they are losing support in the countryside and they are really having a difficult time with their life support systems in the provinces. That is why they moved here. These two labor leaders, Mr Federico and Mr Gonzales, were former NPA members, rebel returnees under the national reconciliation and development program and on that day they were undergoing training so that they could be leaders of a cooperative movement in Negros Occidental so they could set up livelihood and other projects similar to the one in Tarlac which is headed by Commander Dante. This is a very succesful program and so the leaders in Negros Occidental thought that these rebel returnees would be very credible in these matters. I am sure that they were pinpointed for assasination by the Sparrows [NPA liquidation unit]. I think they were afraid that the program in Negros Occidental would succeed and be another model which could be used against the communist ideology.

[Taruc] Do we have preemptive or precautionary measures to avert worsening the situation in relation to ambushes, killings, assasinations, and all that?

[Ramos] Yes we have, Joe. The new arrangement there, aside from the deployment of troops and intelligence agents is the participation of barangay intelligence or information networks. Because we really need up-to-date information on the goings-on in a barangay in the National Capital Region. As you know, it is very difficult to identify new faces in the city. If it were in the provinces, we would find out right away, but here in the built-up area it is very difficult if the concerned citizens does not assist the authorities.

[Taruc] Okay, Mr. Secretary, in relation to the crisis which we are now facing, I understand, Mr Alejandro Lichauco sent you a letter and we understand that he was asking for the arrest of Secretary Estanislao and Governor Cuisia. What was your reaction to this letter?

[Ramos] Well, even the economic managers of the previous administration, ex-Prime Minister Virata, Jobo Fernandez, Jimmy Laya, and even in the current Aquino Administration, Winnie Monsod and Jess Estanislao and Joey Cuisia [were mentioned]. Ding Lichauco, with due respect to him, I think he wants to restore martial law. Well, we are really against such an administration. We don't want martial law. Maybe, what he wants is for us to gather all of these people whom he is criticizing and wants me to be the moderator or referee. They can discuss that and it can be the subject of a very lively public debate. I think that is the way to do it. We shouldn't resort to indiscriminate arrests. You know, Ding Lichauco, although he is known to be a nationalist, some other nationalists call him a Stalinist nationalist. By this we mean his policies are repressive. That is my initial impression. [passage omitted]

Noted Economist Urges Ramos To Lead Takeover

HK1012104290 Manila PHILIPPINE NEWSDAY in English 10 Dec 90 p 1, 2

[By Ros Manlangit]

[Text] A noted economist and member of the 1971 Constitutional Convention yesterday urged Defense Secretary Fidel Ramos to lead a military move "to rescue" the civilian government of President Aquino from being brought down by its economic policies in the midst of the country's most serious crisis.

It was a call by the Harvard-trained economist Alejandro Lichauco for a virtual military takeover and the arrest and prosecution for treason and "high crimes" of a group of technocrats and economic managers who have "undermined" national economic programs and industrialization efforts upon the dictates of foreign interests.

Lichauco sent Ramos Saturday a 71-page letter dissecting the causes of the country's economic failure and pinpointing the managers who are mostly identified with the International Monetary Fund and the World Bank networks (IMF-WB).

In the letter, Lichauco pointed out the constitutional basis of a move by the defense-military establishment to assert its power to secure the "sovereignty of the State and the integrity of the national territory" when the situation so demands. Copies of the lengthy letter were distributed yesterday to selected media groups. It was an open letter to Ramos titled "The Economic Crisis and the Treason of Policy."

"Mr. Secretary (Ramos), the crisis we face is not a crisis of the economy. It is a crisis that involves no less than the national security and unless a bottomline were established immediately, that crisis can only spell the literal fragmentation and disintegration of the state," said Lichauco, an influential voice in the growing corps of nationalists and progressives in the country.

He asked Ramos to "throw the full weight and influence" of the defense department and the Armed Forces to sustain alternative economic programs focused on industrialization which have been pursued by the country's past presidents.

Lichauco blamed the slow pace of industrialization on the bias shown by economic managers like Cesar Virata, finance minister during most of the Marcos years, former Economic Planning Minister and National Economic Development Authority chairman Gerardo Sicat and former Board of Investments chief now Senator Vicente Paterno.

Lichauco said that by being anti-industrialization and by espousing free trade and import liberalization, these managers have betrayed the highest interests of the nation including its security.

"You have no choice, Mr. Secretary, but to train your sights on them," Lichauco told Ramos.

He inferred that should the government persist on pursuing its current economic thrusts, the Armed Forces must take over, adding that such a move is justified by the Constitution.

He cited Article II [Roman two] Section 3 of the Constitution which provides that "the Armed Forces of the Philippines [AFP] is the protector of the people and the State. Its goal is to secure the sovereignty of the State and the integrity of the national territory."

Although fraught with implications, Lichauco said that such a military initiative is necessary.

"For in essence, Mr. Secretary, that is what all the crisis is all about. And the question is: should or should not the AFP remain indifferent to a situation where the sovereignty of the state is in clear danger of being lost irretrievably through a government that in effect is being run by the surrogates of international finance."

Lichauco said the Aquino government has been rendered helpless by the continued presence in government of IMF sympathizers and officials identified with the Virata-Sicat-Paterno "triumvirate," all of whom he accused of economic sabotage and treason.

He said that while nearby countries have pursued vigorous economic programs through industrialization, protectionism, and rigid discipline in the use of foreign exchange, these economic managers have led the country in a "diametrically opposite" course.

Lichauco proposed an immediate ban on non-essential imports, a moratorium on dollar remittances by multinational firms and a ban on government and unnecessary private travel to save on foreign exchange. He also suggested a 10-point economic program that will, among others, exercise controls on foreign exchange, attract investments, abandon the floating rate scheme, the state take-over of banks, reduction of government spending, establishment of major industrial projects like steel and to compel oil companies to reduce profits under pain of confiscation.

As a classic case of economic failure, he cited the lack of political will to pursue a program to develop the country's integrated steel mill project.

He said that should the IMF continue to get in the way of the economic programs, "then we should automatically secede from that organization."

"To save the civilian government, I urge you to apply the maximum influence of your office to persuade this government to abandon immediately the IMF conditionalities which have brought on us nothing but disaster," Lichauco told Ramos.

Meanwhile, two legislators belonging to the House progressive bloc pressed for the ouster of Finance Secretary Jesus Estanislao and Central Bank Governor Jose Cuisia for their prime responsibility in touching off the economic crisis leading to last week's oil price hikes.

Reps. Venancio Garduce (PnB [People's Party], Samar) and Gregorio Andolana (PnB, North Cotabato) made the call as they expressed full support for the week-long massive protests against the price increases beginning today.

"Estanislao and Cuisia must be made accountable for sponsoring the IMF-endorsed economic program that fueled the foreign exchange crisis and led to the cruel oil price increases," Garduce said.

Garduce said that the insistence of the two economic advisers to give top priority to foreign debt service payments led to an unnecessary scarcity in foreign exchange that gave an excuse for the giant oil companies to petition for price increases.

'Non Profitability' Causes Gas Dealers Boycott

HK1212052990 Manila THE MANILA CHRONICLE in English 12 Dec 90 pp 1, 8

[By correspondent Rico Rosario and staffmember Bert Castro, with Johanna Son and Bernadette Felix]

[Text] Gasoline dealers and station owners, claiming that bigger capital requirement but smaller profit is driving them out of business, have stopped buying premium and regular gasoline from oil companies.

This means they will stop selling premium and regular gasoline after the remaining supply has been sold out.

And they do not intend to replenish until their demand for a 5% to 6% profit margin is granted.

In an emergency meeting of the officers of the Philippine Petroleum Dealers Association (PPDA) yesterday, the dealers announced that as soon as their present supply runs out, they will stop selling premium and regular gasoline because of "non-profitability." The supply in gasoline stations in Metro Manila is expected to last up to the end of the week.

Meantime, the Supreme Court yesterday ordered the Energy Regulatory Board (ERB) and the three major oil companies in the country to file their answers to the petitions of Sen. Ernesto Maceda and Gov. Ceferino Paredes Jr. of Agusan del Sur seeking the rollback of the prices of oil products to the pre-Dec. 5 levels.

Ten justices voted for the filing of comments while two wanted immediate issuance of a temporary restraining order against the oil firms and the regulatory board.

Justices Teodoro Padilla and Eduardo Paras cited that the two successive oil increses were approved without complying with the "fundamental requirements of due process."

Chief Justice Marcelo Fernan did not participate in the deliberation and in the voting while Justice Florentino Feliciano was on leave.

Dra (Doctor) Amanda Cruz, president of the 4,000-member petroleum dealers association, said the consensus of the dealers is that the 2.9% profit margin for premium and regular gasoline is too small while the capital outlay is too big.

"We are only earning 47 centavos a liter. For one load (10,000 liters) our capital outlay is P [Philippine peso] 160,000. That gives us a P4,700 gross profit and that's not enough... with our expenditures," she said. Gas-station owners have to pay rent, electricity and water bills, not to mention the evaporation losses and the fact that the latest gasoline price increases have driven away their patrons, Cruz said.

She said the majority of the association members could not afford to bankroll the P160,000 capital for every 10,000 liters.

The dealers called for the boycott of oil products delivered by Shell, Caltex and Petron last Saturday, hoping that the government would work out an arrangement to resolve their plight.

But the majority of dealers rejected the call of some association members to extend the "boycott" to include other products like kerosene and diesel fuel.

They said it was not necessary to include these products in the boycott since they are getting enough profit from diesel and kerosene.

"The Energy Regulatory Board failed to project our losses of patronage because of the new price hike," said George Gonzales, PPDA spokesman.

"We are projecting a 30% to 40% loss on volume of sales," he said.

The PPDA, which has 1,000 members in Metro Manila, will file a petition with the ERB to increase its profit margin by 5% to 6%.

In the Senate, a resolution calling for the rollback of oil price increases to their September levels was approved by a committee yesterday.

Militant Labor Union Courts Opposition, Loyalists

HK1212054790 Manila THE MANILA CHRONICLE in English 12 Dec 90 p 9

[By staffmember Booma Cruz]

[Text] The Kilusang Mayo Uno [1 KMU May Movement] said yesterday it would coordinate with the "middle forces," members of the opposition and even Marcos loyalists to ensure the success of the Welgang Bayan.

KMU spokesman Nicanor Elman said the "positive response" of the middle class to last Monday's protest action had indicated that another welga [strike] was inevitable despite the partial rollback of the oil prices.

"We are prepared for a Welgang Bayan [Nationwide Strike] pero ang gusto namin isang bagsakan na lang para successful [but we want it to be in one go to ensure its success]," he said.

"This is a people's issue, that's why it has to be a people's strike," he added.

As such, Elman added, KMU was "open to a dialogue for unity with any group dahil itong mga components na ito ang kailangan para sa isang matagumpay na welga." [because these components are needed for a successful strike]

He said they would hold talks with Vice President Salvador Laurel, Senators Juan Ponce Enrile, Ernesto Maceda and Orlando Mercado, former Senator Eva Estrada Kalaw as well as former Aquino government officials like Reli German and Linggoy Alcuaz.

Drivers who struck Monday to protest the new fuel prices returned to the streets of Manila yesterday but said they were planning a bigger mass action "in the coming days."

But reporters reaching the metropolis said transport strikes continued to paralyze at least four key cities and municipalities in Mindanao.

These included the cities of Iligan, Davao and Cagayan de Oro and the towns of Kidapawan and Midsayap in North Cotabato.

Meanwhile, the People's Caucus, an umbrella organization of organized labor and cause-oriented groups, said today's protest activities would include a noise barrage in Metro Manila and Southern Tagalog Region starting at 6 p.m.

Factory workers in the metropolis would create noise every time their shift changes while workers in Cavite, Laguna and Batangas would walk out of their jobs and converge at the Calamba Crossing for a short program in the afternoon, People's Caucus said in a press statement.

In Metro Manila, it said, participants would hold a synchronized noise barrage rally at various points to make the protest "more audible" to the government.

Organizers said the main rally centers for the noise barrage were Ugarte Field in Makati, Welcome Rotunda in Quezon City and E. Rodriguez Ave., specifically near St. Luke's Hospital and St. Joseph's College also in Quezon City.

Communist Rebels Tax Road Contractors

HK1212055090 Manila MANILA BULLETIN in English 12 Dec 90 p 10

[By Owen Masaganda]

[Text] Pilippines, Camarines Sur—Col. Pabto Galvez, 51st Engineer Brigade chief of the Philippine Army, has appealed to the New People's Army (NPA) not to harass his men and road contractors because they are non-combatants and are helping in the infrastructure development of the country.

Galvez said in an interview with the "Radio ng Bayan" that the NPAs were asking private contractors for P18 million as "progressive taxes" on the P438.8-million contract for the 57-kilometer Tabogon (Quezon)-Sipocot (Camarines) infrastructure project.

Galvez was also the guest speaker yesterday during the graduation exercises of some members of the 564th Engineer Construction Battalion which held special classes for general automotive mechanics at the management training center.

"We are constructing roads and bridges without any additional benefit from the government," Galvez said in addressing his appeal to the communist rebels.

Galvez said that the NPAs in Quezon and Bicol Zones are led by Sotero Llamas, alias "Nognog."

Officials of the Department of Public Works and Highways (DPWH) informed Galvez that work on the P7-million three-kilometer Bacong Sorsogon road has been discontinued by private contractor Eddie Coronel because the NPAs were asking P300,000 as taxes.

Coronel backed out with his heavy equipment after he was kidnaped for failure to pay the "progressive tax." One week later, however, Coronel was released.

DPWH Director Rafael Abundo said that the government will push through with the project after the balance is deducted from the work accomplished by Coronel.

Abundo said that some road-and-bridges projects have been delayed because of the NPA threat that heavy equipment of contractors will be burned unless the progressive taxes are paid.

In his speech Galvez praised Director Arturo Orticio and the instructor staff of the regional management training center for accommodating his 22 enlisted men in the auto mechanic course. He said that these soldiers can get employment once they are separated from the service.

Former Economic Chief: IMF Violating Charter

HK1212054590 Manila THE MANILA CHRONICLE in English 12 Dec 90 p 3

[By Redempto Anda]

[Text] Former Economic Planning secretary Solita Monsod accused the International Monetary Fund (IMF) yesterday of violating its own charter by imposing stringent economic conditions on the country in exchange for financial assistance.

She also warned that unless the government could negotiate for "less painful" terms with the IMF, the country would experience a minus 3.5% economic growth instead of the plus 2.5% growth projected for next year.

Monsod cited Article 1, Section 5 of the IMF charter which states that it will provide members "with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity."

"The IMF negotiators were not too familiar with their own charter," she told a public hearing on the economic reform package which the country had presented to the fund.

Also present at the hearing, held at the Asian Institute of Tourism in Quezon City, were representatives of the Freedom From Debt Coalition who also opposed the package "as this will harm most of the Filipino poor, the fixed income and wage earners."

According to Monsod, the conditions imposed by the IMF would hurt seriously the economy as evidenced by the effects of the new oil price increases.

She criticized the Energy Regulatory Board's [ERB] decision to increase the oil prices as "a single-minded desire to please the IMF."

ERB Chairman Marcelo Fernando had admitted that their decision was based on the government's commitment to the IMF demand to deregulate the oil industry by stopping subsidies to the Oil Price Stabilization Fund.

Monsod also described as "unconscionable" the IMF decision to stop fund releases to the country's request for assistance to earthquake-damaged areas until the whole economic program was approved by the government.

Trade Congress Condemns Killing of Labor Leaders

HK1112122190 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 11 Dec 90

[Text] The Trade Union Congress of the Philippines [TUCP] has condemned the slaying of the two labor leaders from Bacolod City. It is recalled that unidentified men killed Eduardo Federico and Ernesto Gonzales while inside the Ateneo de Manila campus yesterday. According to TUCP spokesman Homer Punzalan, it is time for President Aquino to act on the violent incidents in the country. Punzalan called on his fellow laborers to join him in condemning the killings of Federico and Gonzales.

Refugees Appeal for Troop Withdrawal

HK1212054890 Manila THE MANILA CHRONICLE in English 12 Dec 90 p 3

[By Bert Castro]

[Text] Refugees from Visayas and Mindanao, expressing their wish to return home and live in peace again, yesterday appealed to the government to pull out troops engaged in anti-insurgency drives in their regions.

Meeting with Justice Secretary Franklin Drilon, the refugees from Cagayan, Davao del Norte, Samar, Negros Occidental and South Cotabato pressed for the recall of the "total war policy" against the insurgents, citing its disruption to their communities.

The massive bombings and shellings during military operations have forced them to leave their homes and livelihoods, they told Drilon who is concurrent chairman of the Presidential Human Rights Committee.

The refugees, who are temporarily lodged at the University of the Philippines compound, also requested Drilon to provide them with security.

Drilon said he will request Defense Secretary Fidel Ramos to grant their request for protection until they can return to their homes.

The evacuees, guests of the Philippine Alliance of Human Rights Advocates (PAHRA) and the Ecumenical Movement for Justice and Peace (EMJP) expressed fears that they would be arrested by military elements.

Justice Undersecretary Silvestre Bello III has also directed PC [Philippine Constabulary] Chief Maj. Gen. Cesar Nazareno to escort the refugees back to their homes when the proper time comes.

Drilon was told by lawyer Jose Manuel Diokno of the Free Manuel Diokno of the Free Legal Assistance Group (FLAG) that the UP [University of the Philippines] police could no longer guarantee the villagers' safety.

Palawan Yields New Crude Oil Field

HK1012104890 Manila THE MANILA CHRONICLE in English 10 Dec 90 p 1

[By Lito Zulueta]

[Text] Malacanang yesterday said that the drilling at West Linapacan off northwest Palawan had yielded crude oil good for gasoline and disesel in commercial quantity.

The Palace made the announcement after the participating drillers, led by Alcorn (Production) Philippines, Inc., met President Aquino to inform her about the discovery.

"She took it with a big smile," said Charles Alcorn, chairman of the leading firm in the exploration.

President Aquino also said last night she would sign tomorrow a contract with the Occidental Petroleum and Royal Dutch Shell over natural gas deposits found in Matinloc, also off Palawan.

Together with the discovery of commercial crude oil in West Linapacan, the President said that the natural gas find was "a silver lining" in the country's energy woes.

"This could very well signal a new era of progress and the turning of the tide," the President said in a television address. "It will perhaps beckon investors to return and new ones to come to help us create wealth and employment."

The oil discovery in West Linapacan was made Saturday with the well yielding 6,116 barrels out of an estimated reserves of 100 million barrels, Alcorn said.

"It's good gravity crude... This would be good for gasoline and diesel," said Alcorn.

The drilling began more than two months ago from a depth of 1,154 feet of sea water.

Alcorn will have to drill the well up to a depth of 6,185 feet, according to the Office of Energy Affairs.

Under the arrangement, 60% of the oil yield will go to the government and 40% to the explorers, who are bound to sell their share to the Philippine National Oil Co.

Eduardo Hernandez, general manager of Alcorn, said the discovery would attract more foreign explorations for possible deposits in other areas in the country.

Thailand

Plan Developed To Evacuate 130,000 From Gulf

BK1312020590 Bangkok BANGKOK POST in English 13 Dec 90 p 1

[Text] Thailand has drawn up a contingency plan to evacuate more than 130,000 Thai workers from the Persian Gulf if war becomes imminent.

The Labour Department has already completed an evacuation plan which is being considered by the Foreign Ministry, department deputy chief Prasit Chaithongphan said yesterday. The strategy will be adopted if agreed to by the ministry.

The plan was drawn up on instructions from acting Deputy Prime Minister Athit Kamlang-ek to help Thai workers who risk becoming a major casualty if war breaks out in the Middle East.

Thailand has 130,000 workers in Saudi Arabia, 800 in Israel, 400 in Jordan and 179 in Iraq. All will be flown home if it becomes apparent war cannot be averted, Mr Prasit said.

He does not anticipate any problem in evacuating the workers because there is enough time for maneuvring before the United Nations deadline for Iraq to withdraw from Kuwait on January 15.

The Government evacuated 7,502 Thai workers from Kuwait after Iraq invaded its small Arab neighbour in August. A large number of Thai workers have also been sent home from Iraq.

Mr Prasit said by next Monday there will be only 179 Thais left in Iraq. All will be encouraged to return home if there is evidently a war danger.

About 27 Thai workers, all employed by Hyundai of South Korea, have expressed a wish to stay in Iraq even if war eventuates, he said.

Democrat Party To Not Join Coalition Government

BK1312005990 Bangkok BANGKOK POST in English 13 Dec 90 pp 1, 3

[Excerpt] Prime Minister Chatchai Chunhawan's bid to form a six-party coalition which would give his new administration an absolute majority in Parliament is in disarray as the Democrat Party yesterday decided against joining the alliance.

The Democrats, however, left open the option that it might consider joining the coalitlon government if there are changes in the six-party lineup.

The Social Action Party, meanwhile, was still sticking to its demand that the Solidarity Party be excluded.

The Democrat Party's refusal to join the coalition has given rise to the possibility of bringing in the Prachakon Thai Party.

A Chat Thai source said that after the party was informed of the Democrats' decision, attempts were made last night by a senior party member to contact Prachakon Thai leader Samak Sundaravet, who was in the provinces.

Emerging from a five-hour meeting of the party's executive committee and MPs [members of parliament] last night, Democrat Party leader Phichai Ratthakun said the party had decided unanimously against joining a coalition of six parties which would give the Government 297 votes against the Opposition's 60 in Parliament.

Mr Phichai said the Chat Thai Party's proposed formula of a six-party coalition comprising Chat Thai, Social Action, Democrat, Solidarity, Puangchon Chaothai and Ratsadon was against the principles of democracy as it would effectively block the Opposition from performing its rightful duty of check and balance.

With such an overwhelming government majority in Parliament, he said, the Opposition could not even institute a no-confidence motion to "grill" an individual minister because the move would require at least 72 signatures.

"Therefore, we cannot accept Chat Thai's proposition and will not join the coalition," Mr Phichai said, adding that party secretary-general, Sanan Khachonprasat, would formally advise prime Minister Chatchai of the party's decision tomorrow.

Chat Thai deputy leader Sano Thianthong said last night that the Prime Minister had already learned of the Democrat Party's decision.

The Prime Minister, however, declined to comment on the Democrats' ruling when approached by reporters last night. He simply said he had not yet been formally told.

Asked if the coalition is to be formed without the Democrats, he shot back at the reporters: "This is the way people want it, isn't it?"

Mr Phichai maintained that the party's rejection of the six-party alliance did not mean that it had grudges against any particular party.

"We only disagree with the way the new government is to be formed because it will render the Opposition inoperational," he said.

He also claimed the Democrats' decision would help ease Prime Minister Chatchai's burden of forming a government, and at the same time would help save the democratic system.

Mr Phichai said that joining a coalition which would have an absolute majority in Parliament would disappoint the public and might create a crisis of confidence.

He disclosed that he had made his point clear to Chat Thai Secretary-General Banhan Sinlapa-acha during an informal meeting yesterday.

Asked if the Prime Minister had re-invited the Democrats to join the coaliton, he said: "That is a matter for the future. But for the time being we stick to our decision."

An informed party source said the Democrat Party meeting extensively debated the principle involved in joining a coalition which would give the Government 297 votes in parliament against the Opposition's 60.

Lining up against joining the coalition were Mr Phichai and his son, Mr Phichit, Maj-Gen Sanan, acting PM's [prime minister's] Office Minister Suphattra Matsadit, Banyat Banthattan, Thoedphong Chaiyanan, Suthep Thuaksuban, Samphan Thongsamak and Niphon Phromphan.

Those for joining the coalition included Prachuap Chaiyasan, Chuan Likhai, Trairong Suwanakhiri and Chulin Laksanawiset.

The source said that lobbying against the party joining the coalition was started last week by several key party members, including Khunying [honorary title] Supatra, Mr Banyat, Mr Suthep and Mr Samphan.

A visibly disappointed Prachuap told the Press that although his opinion differed from that of the majority he had to recognise the party's decision.

While admitting that the debate had been very straightforward, he hinted at the possibility of the Democrat Party joining the Government "if there is new information" about the proposed coalition lineup.

"The Democrat Party has made a decision which is a matter of principle because it is not right to have a government which has absolute control in Parliament," Khunying Suphatra said.

"I am quite happy," she said, adding that the party had good reason to justify its decision not to join the coalition.

Nakhon Si Thammarat MP Suri Pitsuwan also hailed the party's decision as the right move and one which would restore the party's image.

"This shows the democrats want to see democracy survive and prosper rather than just wanting to see the Government's survival," he said. [passage omitted]

Chat Thai Woos Prachakon Thai

BK1312032890 Bangkok THAI RAT in Thai 13 Dec 90 p 10

[Text] Soon after the resolution of the Democrat Party to not join the new coalition government was made last night, our correspondent reported that two major figures of the Chat Thai Party, Banhan Sinlapa-acha and Kon Thappharangsi, contacted Samak Suntharawet, leader of the Prachakon Thai Party, which comprises 31 members of parliament [MPs], persuading the party to join the new government. If the Prachakon Thai Party accepts the proposal, the new government would comprise a total of 280 votes and the cabinet quotas would be worked out on a 6:1 ratio—six MPs per one minister's post. The new formula for the formation of the cabinet would then be: Chat Thai Party 16 seats, Solidarity Party 10 seats, Social Action Party nine seats, Prachakon Thai Party five seats, Ratsadon three seats, and the Puangchon Chaothai two seats.

According to the latest report from our correspondent, immediately after learning of the Democrat Party's decision Montri Phongphanit, secretary general of the Social Action Party, made a telephone call to party leader Major General M.R. Khukrit Pramot, who was at his Rim Ping residence in the northern province of Chiang Mai, to consult him on what the party should do next. Khukrit told Montri to call an urgent meeting of the party on 15 December, starting at 1500. Khukrit said he will preside over the meeting himself, will inform the party's executive committee of the Chat Thai Party's movement concerning the formation of the new government, and will propose that the Social Action Party withdraw from participation in the new government.

Ministers Refuse Positions in New Government

BK1312021790 Bangkok THE NATION in English 13 Dec 90 p A1

[Text] Two senior Chat Thai members—Chairman Praman Adireksan and deputy leader Pramuan Saphawasu—have decided to not accept any Cabinet posts as a protest against Prime Minister Chatchai Chunhawan for barring them from negotiations to form the new Cabinet.

Praman and Pramuan had handled quiet talks with the opposition Solidarity Party about joining the new coalition and they were upset that Chatchai later assigned party Secretary General Banhan Sinlapa-acha and his Social Action counterpart Montri Phongphanit to handle negotiations with the opposition party, Chat Thai sources said.

Pramuan yesterday confirmed that he would stay outside the next Cabinet to "give younger politicians" a chance at running the country.

Chunhawan Concerned With Low Agricultural Prices

BK1212135890 Bangkok Domestic Service in Thai 1200 GMT 12 Dec 90

[Text] Prime Minister General Chatchai Chunhawan affirmed that he would form his cabinet as soon as possible because he was concerned with the farmers who are facing trouble with low prices for their rice crops and agricultural products. The prime minister made the following remarks at the Ambassador Hotel this afternoon:

[Begin recording] [Chatchai] There is no problem since everyone is being very cooperative.

[Unidentified correspondent] Can the Solidarity Party and the Social Action Party work together?

[Chatchai] They can work together. I will make the low rice price problem a priority matter after the new government is formed.

[Unidentified correspondent] [Question indistinct]

[Chatchai] We have been closely following the economic situation. The political problems, however, have caused a change of government. After the new government is formed, we will have to pay attention to the problem of low prices on agricultural products. I will try to form the government as soon as possible.

[Unidentified correspondent] [Question indistinct]

[Chatchai] We will be able to solve these problems because we have sufficient funds in the budget. [end recording]

U.S. Officials Urge Talks on Textile Imports

BK0812105490 Bangkok Voice of Free Asia in English 1500 GMT 7 Dec 90

[Text] U.S. trade officials have demanded talks with their Thai counterparts to discuss Washington's decision to restrict the import of four textile and apparel products from Thailand.

The move followed complaints by the U.S. manufacturers that the increasing volume of imports from Thailand are threatening the viability of the American textile and clothing industry.

Mr. Chare Chutharattanakun, director general of the Foreign Trade Department, said he was informed by the Thai commercial counselor in Washington that the U.S. Commerce Department had decided to impose import quotas on four textile and clothing items.

It involves imports of men's and boy's coats made from cotton and man-made fiber being restricted to about 240,000 dozen, women's and girl's coats made from cotton and man-made fiber to about 150,000 dozen, cotton towels to about 160,000 kilograms, and woven fabrics made of 85 percent or more artificial staple fiber to about 11,430,000 square meters.

The Americans wanted to impose temporary import restrictions between 30 November, 1990 to 29 November 1991 during which time bilateral talks can be held to settle the import dispute.

In the meantime, Thailand will submit export figures for the four items in question to the U.S. officials so that negotiations can commence. The bilateral textile agreement with the United States expired at the end of 1988, but several attempts to establish a new accord have failed.

In the absence of the bilateral agreement, the U.S. is entitled to call for negotiations at any time when it feels that the growth in Thai textile imports threatens its own industry.

"After the agreement expired in 1988, the U.S. has been calling bilateral talks in succession in a bid to mount pressure on the Thai side to agree to its textile proposal, which puts Thailand in a disadvantageous position," official said.

Textile Exports to U.S. To Increase

BK1212141690 Bangkok Voice of Free Asia in English 1500 GMT 10 Dec 90

[Text] Thai textile exports to the United States will get a boost when the five-year-old agreement to suspend subsidies ends on 31 December. The U.S. Department of Commerce has decided to drop its ongoing check on Thai textile exports to the United States under the pact, Foreign Trade Policy Division Director Bonthipha Simasakun said at the weekend.

Washington's decision follows a late petition by the American Textile and Manufacturing Institute for U.S. authorities to review countervailing subsidies on Thai textile for the United States. American authorities believe their domestic textile industry has developed so much in the past five years. The agreement is no longer necessary, the Foreign Trade Department official said.

In 1985, Thailand agreed all its textile and yarn manufacturers would refrain from receiving any government subsidies for all shipments to the United States. In return, the United States would drop its countervailing duties on Thai textile and yarn shipments.

Miss Bunthipha said the U.S. decision to drop its investigation proves the Thai Government has not subsidized its textile industry. The decision will benefit the country's textile industry.

But the U.S. Commerce Department has yet to establish if the American Yarn Association, which filed a petition to review duties on Thai yarn shipments, is really being damaged by imports.

Article Examines Environmental Crisis

BK1112021790 Bangkok THE NATION in English 11 Dec 90 p A8

[By Oranut Anusaksathian and Ann Danaiya Usher]

[Text] Now that the Thailand Development Research Institute's [TDRI] year-end seminar on the environment has passed, its long-term impact can only be judged by whether policy-makers take the think tank's recommendations to heart.

It is doubtful whether many of the participants of last weekend's conference read through all 1,500 pages of 11 voluminous reports, filled with both data on the state of Thailand's forests, industry and mining as well as proposals for solving the country's intractable environmental ills.

Daunting though the mass of information, a pattern does emerge from the reams of data and analysis—of three different types of policy recommendations.

The first is a critique of subsidies that contribute directly to environmental degradation; the second is a call for reform of existing institutions to handle natural resource and waste management; the last includes various suggestions on how to finance, and who should pay for, the clean-up.

Indeed, every indicator listed in the TDRI studies—from air pollution to deforestation—suggests that Thailand's environment is in a critically fragile state and badly in need of a clean-up.

While all areas may be equally needy of immediate action, chronic "political pollution" illustrated by the uncanny timing of Prime Minister Chatchai Chunhawan's resignation, which was announced half-way through the conference—forces anyone serious about the enviroment to set priorities.

Harmful subsidies

If the three types of policy proposals offered by TDRI, the first would appear to be the most obvious starting point—to stop using tax-payers' money to underwrite environmental destruction.

TDRI's research revealed several types of subsidy, direct and indirect, by which this occurs.

One example is lignite.

While this domestic energy source is at least 2.5 times cheaper than other conventional fuels, it produces 4.5 times as much sulphur dioxide as coal, and nine times as much nitrous oxide as natural gas.

Private mines in particular fail to restore old mines, precluding future land use, while sulphur emissions cause damage to forests and agriculture through acidification of soils and waterways, as well as to human health.

But the low price of lignite, which has encouraged many industries to switch to this "dirty" energy source, does not reflect the high environmental costs that are not borne by the manufacturers.

"(Lignite's) pollution disadvantage is a social cost that is not paid by the users, but by society at large," a TDRI report states.

Another case is the absurdly low rent in forest reserves used by companies planting eucalyptus, set by the government at Bt10 per rai per year as an incentive for private commercial tree farms.

Extensively criticized for several years now, this policy has led to social conflict, by forcing landless villagers off their land and leaving them with no option but to encroach on other good forest.

Furthermore, while the authors of the strategy have claimed that plantations will increase rural employment and alleviate poverty, TDRI and other studies show that both these claims are false.

Thus TDRI proposes that "the policy of granting public forest land for commercial plantations should be discontinued... cheap public land, capital subsidies, and tax holidays are neither necessary nor warranted".

The third, perhaps one of the most original bits of information to come out of the conference, is the link between Board of Investment [BoI] privileges and the increase in toxic waste-generating industries.

One report states that the proportion of investments approved for factories that produce hazardous waste increased from 25 percent in 1987 to 55 percent in 1989.

Currently, 1.9 million tonnes of toxic waste are added to Thailand's environment every year, of which 1.3 million tonnes are concentrated in the Bangkok area. Less than two percent of this is treated, and TDRI predicts that the total annual load will triple in ten years time.

"Environmental criteria should play a more decisive role in investment project selection. It is critical that the government restructure the BoI promotional policies to favour environmentally sound investments and to promote industries that minimize pollutants per unit of value added," a report states.

Otherwise, in the absence of laws, enforcement and facilities to treat waste, the board will continue to use public money to subsidize highly polluting industries.

Weak institutions

The second type of policy option proposed by TDRI focuses on the strengthening of four government institutions involved directly with the formulation and enforcement of environmental laws. But the recommendation will be more difficult to realize than it appears.

The institute has clearly demonstrated that the four major players—the Industrial Works Department, the

National Environment Board, the Industrial Estate Authority of Thailand and the Board of Investment—are inefficient to prevent, control and tackle industrial pollution.

But the inefficiency lies at the most fundamental level. These agencies are constrained structurally, financially and functionally to exert their roles in environmental protection.

Firstly, their responsibilities are largely overlapping. The Industrial Works Department (IWD) and the Industrial Estate Authority of Thailand (IEAT), for instance, are in conflict over the environmental control of factories operating in industrial parks.

The industrial estate authority is the single agency that controls factories in registered industrial zones. The department of industry, which is supposed to be responsible for environmental regulations through the licensing of factory permits every three years, is therefore, unable to perform its duty.

Within the authority, according to TDRI, there is no real commitment toward environmental responsibility because a specialized environmental unit is lacking. Only a minimum requirement for each industrial estate to set up central waste water treatment plant is imposed. The question of hazardous waste and gaseous emissions are left to the factories themselves.

Some of the four agencies do not have the legal mandate to assert a greater role in environmental protection. The National Environment Board, for example, which has expertise and capability to impose and monitor environmental standards, does not have the authority to either enforce relevant laws or punish industries that fail to comply with requirements.

The Board of Investment and the Industrial Works Department, on the other hand, have different excuses for their failure to integrate environment into their policy and for ailing law enforcement.

The excuses, however, are similar in nature.

BoI says it lacks technical knowhow to judge the level of technology, raw materials and the types and amount of wastes discharged by companies seeking the government promotional privileges although the Board of Investment Act does broadly stipulate that the agency takes into account environmental implication when giving out promotion certificates.

Similarly, the Industrial Works Department says it does not have adequate technical workforce and budget to regulate pollution from over 50,000 factories around the country.

These institutions were set up in the 1960s and 70s when environment was overlooked in the single-minded attempt to promote investment and accelerate industrial development. Therefore, environmental laws and related institutions were devised to accommodate such moves.

To overhaul the fundamentals would require the amendment of existing laws which form the legal basis for operation of these agencies. This process would be extremely time-consuming and almost impossible to succeed under the best of political circumstances.

The highly volatile political situation at the moment makes it even more difficult to put the environemnt at the top of the political agenda.

Moreover, environment does not take prominence in the public sector's budgetary allocation. To change the structure of budget allocation would not only require strong political will, but also cooperation from other government offices, which may see their allocations dwindle.

A new machine

The third type of recommendation—concerned with how to pay for the cleaning up the mess—by TDRI envisages the establishment of an environmental fund to which industrial polluters are required to contribute.

Although the institute argues that the proposal is practical, given the affordable cost and proposed taxes to induce industries to treat industrial waste, it remains difficult to imagine the mechanism being implemented without huge political will.

Indeed, industries and the four responsible government agencies will have to start from scratch.

The framework for the administration and operation of the fund would have to be laid; the anti-pollution taxes, which have never existed before, would have to be mapped out.

This differs from the cases of low-lead and low-sulphur fuel, where the Fiscal Policy Office has the exise tax available at hand the can be used to encourage consumers to shift from heavily polluting petrol and fuel oil to less-polluting energy.

The institute has cited the willingness of the Federation of Thai Industries to cooperate as one of the major factors that would contribute to the successful implementation of the scheme.

But such a new privately-run mechanism for auditing environmental controls would have to supplement, or even replace, the duties of existing government agencies.

Compared to simply cancelling existing subsidies, the creation of a whole new bureaucratic machine appears infinitely more complicated.

Nigerian Seized at Airport With 4.9 Kg Heroin

BK1212023990 Bangkok BANGKOK POST in English 12 Dec 90 p 3

[Text] Customs officials arrested a Nigerian man at Don Muang Airport yesterday for allegedly trying to smuggle four kilogrammes of heroin out of the country.

A total of 4.9 kilos of heroin worth about 1,000 million baht if sold abroad, was contained in nine paper envelopes, a Customs official said.

Each envelope was hidden in a briefcase, the official said.

The nine briefcases were allegedly brought to the airport by Osita Charles Kwankwo, 26, who pretended to have them as samples of briefcases to be sold in Nigeria, the spokesman said.

He had intended taking a Singapore Airlines flight scheduled for 2.50 P.M. to the Netherlands and Nigeria via Singapore, Customs officials said.

Since January the Customs Department has made 82 arrests in connection with drug smuggling and confiscated 164 kilogrammes of heroin.

Vietnam

Hun Sen in Hanoi To Defend Dissertation

BK1212153890 Hanoi VNA in English 1453 GMT 12 Dec 90

[Text] Hanoi VNA Dec. 12—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, successfully defended his thesis of associate doctor of philosophy at the Nguyen Ai Quoc Institute here on December 12. His thesis is titled "Characteristics of the Cambodia Revolution".

Officials of the Vietnamese State Council, Council of Ministers, and National Assembly, research workers, and teachers of various institutes, colleges and universities attended the events.

Cambodian Ambassador Tep Henn was also present.

The thesis brings out the nature and origins of the Pol Pot genocidal regime, the historic turning-point which saw the birth in January 1979 of the People's Republic of Cambodia, now the State of Cambodia.

It not only analyses the past, but also dwells on the present and forecasts the future, stressing the irreversibility of the advance of the Cambodian revolution toward socialism.

Further on National Assembly's Proceedings

Communique No. 5 Issued

BK1212155190 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Dec 90

[Communique No. 5 of the Eighth National Assembly's eighth session]

[Text] On 12 December 1990, the National Assembly continued to meet at the conference hall and discuss the socioenomic tasks and state budget for 1991 under the direction of Chairman Le Quang Dao.

In the morning meeting, the National Assembly heard Comrade Nguyen Cong Tan, minister of agriculture and food industry, further report the causes of feverish increases in the prices of rice and nitrogenous fertilizer, and the measures to overcome this situation in 1991. Afterwards 13 deputies expressed their opinions.

In the afternoon, the National Assembly heard Comrade Tran Dinh Hoan, minister of labor, war invalids and social welfare, make a supplement report on wages problems and various solutions. Then eigth deputies expressed their opinions.

The opinions of deputies concentrated on the following issues: the general targets of socioeconomic plans, the norms for mobilizing national revenues and production into a state budget, the policies and measures concerning capital and foreign currencies required to conduct production, collect and purchase exports, and maintain reserves and circulation; the measures to resolve the problems of tied up capital, debts and misappropriated funds, and to unify the management of foreign currencies; the policies and measures concerning wages of workers, civil servants, armed forces members, retirees, and social pensions for recipients of social welfare policies, and the issue of resolving unemployment.

Tomorrow, 13 December 1990, the National Assembly will continue to work at the conference hall.

Report on 12 Dec Meeting

BK1312093390 Hanoi Domestic Service in Vietnamese 1100 GMT 12 Dec 90

[Comments from provincial deputies are recorded]

[Summary] "Today, 12 December, the Eighth National Assembly's eighth session entered its seventh day with a plenary session held at the Ba Dinh conference hall. After hearing the briefing from the comrade minister of agriculture and the food industry on the grain situation as well as the 1990-91 situation regarding the import and supply of fertilizer needed for agricultural production, the deputies discussed the 1990 socioeconomic situation and the course of actions, targets, and measures to iron out difficulties in seeking money for production activities. They also dealt with the employment situation, the question of wages for cades, workers, and state employees, and other cultural and social issues."

At the morning session, almost all of the deputies agreed with the Council of Ministers' observation concerning what has been accomplished and what has not been accomplished for the 1990 socioeconomic acitivites. But many deputies believed that "the targets set forth in the Council of Ministers's report are high and difficult to realize. This is because in 1991 we will have great difficulty finding money, supplies, and raw materials.

Foreign aid is being reduced while the country's production capacity is still poor and the money reserved for agricultural production is limited." On how to solve the money problem for production, Comrade Bach Hung Dao, a deputy from Nghe Tinh Province, said:

It is most important to ensure the adequate import of necessary materials, fertilizer, and fuel for agricultural production. Peasants do not have much money but their financial status is still manageable. The problem now is how to make effective use of their money. The administration must continue to loan money to cooperatives so they can maintain production. In areas where there are no cooperatives, the administration must deal directly with peasants to meet their financial needs.

Also on the question of money for production, Comrade Mai Thuc Lan, deputy from Ha Bac Province, said:

I think we would have a better chance at an immediate solution to the money problem if we secured enough money for export-oriented production. Banks should continue to finance the operations of those enterprises that are still in workable order so they can ensure employment for their personnel.

As to the question of how to develop production, increase the income of the people, and improve their living standard, the deputies called for "more capital investment in important sectors such as the petroleum and marine products exploitation sector. Agriculture should continue to be regarded as the most important front. The deputy also unanimously agreed that it is necessary to concentrate on stepping up exports, especially the export of farm produce, so as to earn hard currencies for importing materials and fertilizer needed for production."

Industrially, the deputies said that "although the state-run economic sector continues to play the leading role, it has, in practice, been unstable and beset with difficulties, and also that we should continue to concentrate on investing more in and consolidating the state-run economic sector in order to enable it to perform its role."

Another urgent issue discussed by the deputies was the wage scale for state employees. "This issue has been raised in very many national assembly meetings in the past but it has yet to be solved. In a previous national assembly session, it was advocated that state employees should each receive a monthly salary equivalent to at least 45 kg of rice. But now the prices of rice and other commodities have risen to amounts many times higher than before while salaries remain unreasonably low. Solving this problem is mandatory." Dealing with this issue, Comrade Tran Dinh Dam, deputy from Quang Nam-Danang Province, said:

In the past, state employees have been given an across-the-board 20-percent pay raise. This is unfair because low-ranking officials should receive a higher pay raise while high-ranking officials who are usually better off, should be given a proportionately lesser amount.

Health care and the matter of policy benefit for war invalids and fallen heroes were also given great attention. Speaking about the public health issue, Comrade Truong Thi Khue, deputy from Quang Tri Province, said:

The state should provide the people with adequate healthcare facilities and "should allow the private sector to operate those hospitals that it does not have the financial capability to manage."

The deputies also discussed other issues, including the crackdown on corruption and smuggling, saying that this crackdown must continue with more resolute and drastic measures.

"This afternoon, the deputies continued working at the conference hall over the socioeconomic task and the state budget. National Assembly Chairman Le Quang Dao presided over the afternoon session.

The National Assembly heard Comrade Tran Dinh Hoan, minister of labor, war invalids and social welfare, give a number of suggestions regarding necessary measures aimed at solving the wage and welfare problem. After that, the National Assembly heard dissertations delivered by Tran Thi Luu, deputy from Dong Nai Province; Nguyen Van Thanh, deputy from Long An Province, Truong Nghiep Vu, deputy from Thuan Hai Province; Phuong Kim Dung, deputy from Hanoi; Dang Quoc Tien, deputy from Bac Thai Province; Tran Hieu Trung, deputy from An Giang Province; Tran Quoc Hieu, deputy from Quang Ninh Province; and Do Chi Hieu, deputy from the Vung Tau-Con Dao Special Zone."

Tomorrow, 13 December, "the National Assembly will continue its discussion at the conference hall over the socioeconomic task and the state budget."

Further on 12 Dec Meeting

BK1312102790 Hanoi Domestic Service in Vietnamese 2300 GMT 12 Dec 90

[Report by station correspondent Kim Cuc on the 12 December afternoon meeting of the Eighth National Assembly's eighth session in the Ba Dinh Conference Hall]

[Summary] On the afternoon of 12 December 1990, the National Assembly deputies "worked in the Ba Dinh conference hall to discuss the socioeconomic situation and tasks in 1991. Opening the meeting, Comrade Tran Dinh Hoan, minister of labor, war invalids, and social welfare, presented some views on the issues of wages and the livelihood of cadres, workers, civil servants, Armed Forces members and recipients of social welfare policies." He said that in 1990, the Council of Ministers has increased the pensions for families of fallen heroes and the food allowances for soldiers by 20 percent. But due to recent increases in foodstuff prices, the livelihood of wage-earners and Armed Forces members is a more difficult problem. Comrade Tran Dinh Hoan proposed the application of a uniform system of policies to resolve the problem of wages in 1991.

Then, some deputies mentioned some issues concerning "capital, budget, and the 1991 socioeconomic targets, and presented their requirements to the state. Although these requirements are very legitimate, in the immediate future it is still very difficult for us to meet them. The question is how will each locality and primary installation solve these pressing problems on their own?"

Speaking of the budget problem, Deputy Nguyen Van Thanh of Long An Province pointed out that "if in 1991, the budgetary norms prescribed by the Council of Ministers cannot be achieved, it will clearly be a failure in development and we might face even more difficulties." He went on to stress that localities are responsible for building the national budget.

Deputy Kim Nhat Du of Thuan Hai Province said that resolute measures should be taken to turn latent potential into realities and make real changes in 1991.

Deputy Dang Quoc Tien of Bac Thai Province "stressed the need to concentrate on the spearheads of various economic sectors. In industry investment should be focused on electricity, oil, steel, cement, and chemicals, and in agriculture, investment should be concentrated on the production of grain and other foodstuffs."

Deputy Tran Hieu Trung of An Giang Province proposed that it be determined whiche are the most important economic targets and norms to be achieved in 1991 in the production of grain, exports, and consumer goods which will lead to a demand for more capital and better banking operations.

The National Assembly deputies also gave their views on some other issues such as "exports, shrimp and fish, village cadres, reduction of postage, investment in mountainous regions, and so forth."

Today, the deputies continue to work in the conference hall.

Assembly Views Anticorruption Campaign Results

BK1112164590 Hanoi Domestic Service in Vietnamese 2300 GMT 6 Dec 90

["Excerpt" of State Inspection Commission Director General Nguyen Ky Cam's report, on results of the anti-corruption campaign, delivered at the current Eighth National Assembly's eighth session; date not given—read by announcer]

[Summary] "After the National Assembly issued a resolution on the struggle against negative phenomena, the Council of Ministers has disseminated the resolution to key cadres of sectors and localities and held a meeting with them to discuss measures for implementation."

Generally speaking, efforts have been made by various sectors and echelons to implement this resolution, but the results obtained have been relatively poor. Some localities have provided confusing guidance while the others have shown less enthusiasm in carrying out the task. "The people at large have welcomed the Council of Ministers' decision on the anti-corruption campaign; public opinion, however, has scoffed at its success."

With a view to obtaining a concrete result in the campaign, the Council of Ministers chairman held a direct meeting with key cadres of ministries, sectors, and localities to review its implementation, especially efforts to suppress corruption and goods smuggling. At this meeting, shortcomings were raised, criticism was made, and measures for better implementation were discussed.

"So far, more concrete efforts have been made to carry out the campaign. Most of the provinces, municipalities, special zones, ministries, and general departments have disseminated the Council of Ministers' decision to their key cadres and affiliated sectors, agencies, and units. Moreover, people's committees in Dac Lac, Hoang Lien Son, Nghe Tinh, Haiphong, and Quang Nam-Danang Provinces, and in Ho Chi Minh City have issued resolutions on guiding and monitoring the campaign's implementation."

Many localities have combined the anti-corruption campaign with the party building task. They have urged echelons of party committees and the administration to set a good example in opposing corruption and to encourage their subordinates to strictly carry out the campaign.

"Thanks to these efforts, Ha Son Binh, Binh Dinh, Quang Nam-Danang, Tien Giang, Song Be, and Ha Bac Provinces have scored initial concrete results. Moreover, mass media agencies at the central and local levels have also made positive contributions to the campaign." While propagating the party line and policy on the campaign as well as the state law, these agencies have also informed the public of various corruption cases that were under investigation, thus helping accelerate serious implementation of the campaign.

"To score more concrete results, since early this year, inspection agencies of 32 provinces, municipalities, special zones, and some ministries and general departments have conducted investigation on more than 6,000 cases—mostly economic embezzlement cases—and confiscated for the state 265 billion dong, $78,511, hundreds of ounces of gold, and tens of thousands of tonnes of grain and raw materials. Through its activities, the control sector has prosecuted 762 cases of corruption and cheating causing losses to socialist property and intentionally violating the state law and policy."

Moreover, the banking sector has taken disciplinary action against more than 1,700 persons who violated banking rules and regulations, while 26 provinces and municipalities prosecuted 269 cases of violations of banking credit.

The above-mentioned phenomena indicate that embezzlement, corruption, and intentions to violate the state law and policy were still prevalent during the past period, thus causing serious losses to state property, creating an adverse effect to the politico-socioeconomic domain, and damaging the people's confidence in the party and the state.

"To improve the situation, the Council of Ministers urges that echelons of party committees strive to enhance their leadership role and that the National Assembly and echelons of people's committees as well as mass organizations strengthen control and inspection work while striving to coordinate with other agencies to achieve the expected results in the anti-corruption campaign."

Prime Minister Addresses Urbanization Conference

BK1212123390 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Dec 90

[Excerpts from SRV Premier Do Muoi's address at First National Urbanization Conference in Hanoi on 3 December—read by announcer]

[Text] Comrade Do Muoi clearly pointed out: The role of cities in the national economic development of our country is very large because cities are economic centers. Hanoi nationally accounts for 3.5 percent of national revenues, 22 percent of technical workers and 28 percent of university cadres. Ho Chi Minh City accounts for 30 percent of gross industrial output and 50 percent of handicraft and artisan industry production value countrywide. Cities are also sociocultural centers of centralized commerce and major international trade relations. In this connection, we should properly realize the strategic position of our country's urban system in the national economy.

Our country now has 500 municipalities, cities and towns, including two cities—Hanoi and Ho Chi Minh—with a population of one million people or more, two cities with 350,000-1,000,000 people, 15 cities with 100,000-350,000 people, 46 cities with 20,000-100,000 people, and more than 400 cities with less than 20,000 people.

As for guidelines for city development in our country, Comrade Do Muoi stressed: Our policy is to form many medium- and small-size cities reasonablly distributed countrywide without gatheringging too large a population in major cities. Particularly, there must be stricter managerial control to deal with the population growth in Hanoi and Ho Chi Minh cities.

Authorities in municipalities, cities and towns should mobilize the force and intelligence of all the people to help establish most satisfactorily the 1991 and 1991-95 plans for investment in urbanization, formulate the socioeconomic strategy of cities, and devise measures to rely mainly on their own strength and not on the central government budget in order to implement and manage urbanization plans in conformity with the realistic conditions and capacity of each city.

After clearly pointing out shortcomings in our city management, Comrade Do Muoi said: At present, one of the important issues is that we must renovate the planning task and intensify the management of urban construction. The rehabilitation and construction of cities must follow approved plans. The urbanization planning must be changed to suit the overall and basic renovation of our country from the socioeconomic standpoints in accordance with the sixth party congress resolution. We must be flexible and alert to serve many economic sectors with many different sources of construction funds.

City authorities should not let the suburban and metropolitan areas expand too much as they are now because such a situation will disperse financial sources and bring about too many rural factors in urban development and management by the city administration. The general urbanization planning merely means orienting urban development. We should emphasize short-term and detailed plans for each urban area to serve as a basis for issuing licenses to use land and to build.

We must be quick in establishing and submitting urbanization plans for approval, especially those plans for municipalities, cities, and towns. Although city land belongs to the people, specific land users must pay taxes and fees according to regulations. The organization, administration, and building of cities will lead step by step to the formation of a chief network of city architects which will create an effective machinery for implementation first in Hanoi and Ho Chi Minh cities.

The allocation and distribution of land for building in cities is placed under the unified management control of the building sectors at central and local governments. The problem of national defense land in cities should also be studied and solved satisfactorily. The government's organization and cadre commission, together with the ministries of building and national defense, will manage to discuss ways to deal with the problem and create conditions for Army cadres and combatants to build houses according to city plans, and to take measures to managerially control the Army's collectivized zones, the issue of military land and the building of national defense projects and so forth, and submit them all to the Council of Ministers for approval.

It is necessary to promptly supplement or amend existing laws and regulations as well as to promulgate new ones governing city development and management, environmental protection, and so forth. Efforts are needed to formulate a uniform system of new laws and policies aimed at broadening democracy, promoting the sense of respect for the law, and restoring order and discipline, thus ensuring that everyone lives and works within the bounds of law.

Plans must be worked out to muster all financial resources in support of urban development, as well as to get rid of the practice of giving indiscriminate subsidies to city management projects.

Based on the measures mentioned in its report, the Ministry of Finance should chair a joint meeting with the Ministry of Building, the State Planning Commission, and the State Bank to discuss and promptly submit to the Council of Ministers practical ways to help the various cities with financial resources for urban development.

City people's committee chairpersons should also take the initiative in seeking ways to help with the comprehensive development of the urban areas under their charge.

Urgent efforts are needed to reorganize the administrative apparatus, to build and develop the management mechanism in accordance with city management principles, and to work out reasonable solutions to problems arising from the process of sharing work assignments and responsibilities for city management in many respects, first of all in budget control and city economic development and control in conformity with the principle of uniform, centralized, and systematic management.

Steps must be taken to abolish the practice of splitting up managerial work or arbitrarily using different means to meet self-sufficiency and self-supply demands, as well as to secure management efficiency. At the same time, positive efforts are needed to form a contingent of knowledgeable and competent city management cadres.

To guarantee conditions for city development to proceed in the right direction, and to yield truly effective results, we must formulate the regulations on urban development control and management, a domain in which we still display deficiencies and inexperience.

Of late, the Ministry of Building has collected a number of legal documents on city development in some foreign countries. The Ministry of Building must promptly study and submit the table of contents of those laws to the Council of Ministers and must also prepare the law on urban development and the regulations on city management, city housing development, and so forth for promulgation by the Council of State and the National Assembly. The main objectives of the law on city development and management are to secure conditions for city development and management to be carried out on a routine basis, to avoid wasting materials, to deal with negative phenomena in capital construction, to oppose attempts to cause people trouble, and to guarantee fine results in city development. Let us make every effort to carry out city development and management in conformity with the motto of building better cities and developing more beautiful housing projects.

In addition, it is necessary to guarantee strict implementation of social policies governing the use of land, infrastructures, public utility projects, and housing development projects. The law on housing covers different issues ranging from housing construction, renting, and sale and purchase, to the handling of disputes over housing distribution.

Housing development is the common task of the entire people. Citizens must be self-sufificient in terms of housing arrangements through their own incomes in addition to the assistance provided by the state and social organizations. It is the policy of the state to create favorable conditions in terms of policy and material supply so that citizens can, on the one hand, make housing arrangements for themselves—thus gradually exercising the right to choose their own residential areas as stipulated under the Constitution—and on the other hand, can actively participate in various housing development projects to benefit society.

Chairman Do Muoi stressed: What is of major significance is that we must create legal conditions for all economic sectors to feel at ease and participate in developing housing assets for society. This involves the right to ownership of houses and land used in business within the residence area.

As for the settlement of complaints and outstanding problems concerning house transformation and empty houses, the common idea is to avoid further confusion. Generally speaking, in no circumstance will consideration be made to return empty houses to anyone. This matter must be considered a historic issue that cannot be solved under the current conditions. But for people deemed meritorious by the revolution, policy pensioners, senior cadres, workers, and civil servants who have to live in crowded houses, further action can be taken to consider the allocation of some additional houses to them depending on the availability of houses in each city. This measure is aimed at somewhat relieving difficulties for the families involved.

We should proceed toward including housing allowances in pay when economic conditions so permit. In the current situation, we should study suitable transitional steps. With respect to Decree Number 385-HDBT dated 7 November 1990 on capital construction regulations, the Building Ministry and other ministries involved will study and publish guiding circulars aimed at opposing waste and negativism in the management of capital construction. We should publish suitable and timely norms and rates of investment and unit prices for each period.

It is necessary to promulgate policies on the management of city land, the system of land compensation, the policies on housing and economic management in cities, the policy of mobilizing funds for building cities, and so forth. These are very complex and diverse problems. The Building Ministry should actively propose, initiate and submit guiding circulars to the councils of ministers and state for promulgation depending on each type of policy.

As for the 1991 program of action in the domain of city management, Chairman Do Muoi clearly pointed out:

The pressing problem of city management to be solved in 1991 is to promulgate building laws and regulations on city management and housing.

Following this conference, in 1991, the Building Ministry will organize symposiums on housing, city sanitation, renovation of the urbanization design and planning task, and so on. The people's committees of cities, municipalities and special sectors subordinate to the central government will ask the people's councils to issue rules on city management. The people's committees of Hanoi and Ho Chi Minh cities will immediately implement the system of chief architects in order to advance toward having all cities down to the township level implement the same system.

The building and other ministries will prepare to issue circulars to guide the implementation of laws and regulations in order to unify the law on city building and management. Following this conference, the Building Ministry will submit the draft directive of the Council of Ministers' chairman on the revision of city management tasks pending the promulgation of city regulations in order to systematize this task.

Vo Chi Cong Greets 9th Military Region Forces

BK1212120990 Hanoi Domestic Service in Vietnamese 2330 GMT 9 Dec 90

[Letter from Vo Chi Cong, chairman of the Council of State, to cadres and combatants of the 9th Military Region armed forces—date not given]

[Text] Dear Comrades:

On the occasion of the 45th founding anniversary of the 9th Military Region armed forces, 10 December 1945-10 December 1990, on behalf of the party and state, I affectionately extend best regards and warmest congratulations to the cadres, combatants, specialists, defense workers, militia and self-defense force members, reservists, war invalids, sick soldiers, families of fallen combatants, servicemen, and pensioners of the armed forces in the entire military rergion.

Under the leadership of the party and venerated and beloved President Ho, and enjoying the protection of the party organizations, administrations, and people in various localities, over the past 45 years many generations of cadres and combatants of the armed forces in the 9th Military Region have always upheld revolutionary heroism, determination to fight and win, and self- reliance, thereby overcoming all difficulties and hardships. Fighting while building, they have grown steadily, scored outstanding achievements, satisfactorily fulfilled all tasks of the military region, actively contributed to the cause of national liberation and reunification, and firmly built and defended the socialist Vietnamese fatherland. They have also fulfilled their lofty international duties, and fostered close solidarity and friendship between Vietnam and Cambodia.

Your exploits and achievements have contributed to the building of the heroic Vietnam People's Army's glorious tradition. The armed forces of the 9th Military Region fully deserve the many high distinctions conferred upon them, including the Gold Star Order and the three Ho Chi Minh Orders presented by our party and state, and the two Angkor Orders awarded by the State of Cambodia to Front 979 of the 9th Military Region.

On behalf of the party and state, I warmly commend the achievements scored by the 9th Military Region armed forces over the past 45 years. I praise the various sectors, localities, and people of all nationalities in the region, who have acted in close unity and coordination to actively create favorable conditions for cadres and combatants of the 9th Military Region armed forces to fulfill their tasks on all theaters of operation.

I sincerely thank the people and Army of fraternal Cambodia who have shown unity and loyalty in combat alongside the 9th Military Region armed forces and have wholeheartedly helped them fulfill their international duties.

Dear Comrades, the cause of renovation and national construction and defense still faces numerous difficulties and hardships. Let all cadres and combatants of the 9th Military Region armed forces continue to bring into full play their past achievements, make every effort to successfully implement the party's line, positions, and policies, scrupulously abide by the state law, constantly uphold revolutionary vigilance, stay united, show self-reliance, overcome all difficulties, and ceaselessly increase combat strength.

Let them build strong regular and local armed forces, along with developing militia, self-defense, and reserve forces of high quality. Let them devote themselves to building the all-people national defense system; perfect the provincial, district, and grassroots defense areas, making them politically stable, economically propsperous, strong in national defense, and civilized in sociocultural work. Let every cadre, combatant, specialist, defense worker, and member of the militia, self-defense, and reserve forces clearly realize his honor and responsibility, regularly study and train in all fields to be worthy of being a reliable support in the protection of the party, the socialist state, and the people; to outstandingly fulfill all tasks; and actively contribute to the revolutionary cause of the nation.

I wish you good health and progress.

Cordial and determined-to-win salutation.

[signed] Vo Chi Cong

Public Health Cooperation With Laos Enhanced

BK1212161690 Hanoi VNA in English 1449 GMT 12 Dec 90

[Text] Hanoi VNA Dec. 12—Vietnam and Laos have a plan of cooperation in public health for 1991.

The signing took place during a visit to Laos from December 6-12 by a delegation of the Vietnamese Ministry of Public Health led by Minister Prof. Pham Song.

The delegation held talks with a Lao delegation led by Khambou Sounisay, minister of public health.

On December 10, the delegation was received by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and Chairman of the Lao Council of Ministers.

Economic Ties With Foreign Countries Expanded

BK1012133990 Hanoi International Service in English 1000 GMT 10 Dec 90

[Radio commentary]

[Text] The world public has followed and hailed economic renovation in Vietnam. Many countries have shown their concern for concrete deeds to help Vietnam. Following is our radio commentary on this issue:

Though the Washington government decided to prolong the trade embargo against Vietnam another year, American businessmen seem to pay no heed to [it]. They continue investing in Vietnam with a total capital of 1.9 million dollars. In early December, a conference on trade and development with Vietnam was held in Washington with the participation of 50 American businessmen. According to radio the Voice of America [VOA] on 6 December, the conference attempted to find out opportunities to invest in Vietnam. In late November, a delegation of the medical support committee of the Denmark-Vietnam Friendship Association led by Gosten Dagen Jensen visited Vietnam to hand over an aid of 1.7 million kroner to Vietnam. Earlier, a delegation of the Swedish Save the Children's Fund visited Vietnam to consider its assistance to the Vietnamese children, which is worth 3 million dollars for the three-year plan 1991-1993.

Worthy of note is that the EEC has established diplomatic relations with Vietnam. After this event, six European Economic Community experts had come to Vietnam since 6 December to carry out the EEC financial program for voluntary repatriation and reunion of illegal Vietnamese immigrants from regional countries.

In future, many countries will continue their economic cooperation with Vietnam. According to the spokeswoman of the Vietnamese Foreign Ministry, in the coming days, Mr. Benjalin Benson, general director of the International Development Aid Agency of Finland [name, title as heard], will visit Vietnam. He will come to Vietnam to discuss the continued cooperation with Vietnam in upgrading the water supply system in Hanoi.

A delegation of the Indian Industry and Commerce will visit Vietnam soon. The delegation consists of businessmen representing two big companies of India. The aim of the visit to Vietnam is to discuss orientations for economic and commercial cooperation and joint ventures with Vietnam.

So far, many countries have cooperated with Vietnam, especially in oil and gas. On 6 December, the FAR EASTERN ECONOMIC REVIEW described the enthusiastic atmosphere prevailing the oil prospecting activities in Vietnam, one of the promising areas for doing business in Asia.

Vietnam is still facing many difficulties. Its economic infrastructure is less developed but many countries think these difficulties will be overcome if Vietnam has more investment. The important thing is that Vietnam has renovated its ways of doing business and the economy has developed with initial optimistic results. This is a reason for the expanding cooperation between Vietnam and other countries. Mr. David Dulles, an economist of the World Bank who visited Vietnam last year, stated that the Vietnamese Government's reform leading to a new economy has obtained optimistic results and prospect for economic development in Vietnam is bright. He said the World Bank is seriously taking into consideration exchanges in Vietnam.

Cooperation With Overseas Vietnamese Discussed

BK1112124190 Hanoi International Service in English 1000 GMT 10 Dec 90

[Text] A conference on technical, scientific, and economic cooperation between Ho Chi Minh City and overseas Vietnamese was held recently in the city. At present many companies of overseas Vietnamese in France, Japan, the FRG, Singapore, Italy, Canada, and Australia have been undertaking business transactions in foreign currency exchange, import and export, investment, and technical and scientific cooperation with Vietnam's organizations and units according to Vietnamese laws. In the field of investment alone, the prescribed capital ranged from 30,000 to 6 million U.S. dollars.

Daily Hails Vietnam-EEC Diplomatic Relations

BK1312082290 Hanoi VNA in English 0705 GMT 13 Dec 90

[Text] Hanoi VNA December 13—The national daily NHAN DAN today describes the decision of the European Economic Community to establish diplomatic relations with Vietnam as an event of great importance.

The paper notes that the decision results from Vietnam's renovation process and conforms to the present international trend of peace, national independence,cooperation and development. Recalling the relationship between Vietnam and the EEC, NHAN DAN says:

"The EEC has so far granted humanitarian and emergency aid to Vietnam to enable the country to overcome economic and social difficulties. Over recently, the EEC has made a considerable financial contribution to bringing home many Vietnamese working in Iraq. Before the EEC's decision, 11 out of 12 EEC member countries had already established diplomatic relations with Vietnam. Many projects on economic, cultural, scientific, technical and commerical cooperation between Vietnam and Western European countries are operating efficiently with mutual interests. More than half of foreign investment capital in Vietnam are from EEC member countries. Commercial relations and goods exchange between Vietnam and EEC member countries are being encouraged and broadened. Many diplomatic, economic, cultural and scientific delegations have come to Vietnam from France, Italy, the Federal Republic of Germany and Britain to explore possibilities for expanding relations and cooperation with Vietnam.

"The delvelopment of the relations and cooperation between Vietnam and the EEC and its member countries meets the aspirations of the public from both sides. Vietnam welcomes the new EEC decision as well as all countries and international organizations in the world which wish to have friendly and cooperative relations with Vietnam for mutual interests and for peace and development".

Thai Envoy Holds Reception for King's Birthday

BK1112124590 Hanoi Domestic Service in Vietnamese 0500 GMT 6 Dec 90

[Text] On the night of 5 December, the Charge d'Affaires of the Kingdom of Thailand to Vietnam (Chaithat Uthanphong) and his wife gave a reception to mark the 63d birthday of Thai King Phumiphon Adunyadet and the Thai National Day.

Vice-Chairman of the Council of Ministers Tran Duc Luong and many high level cadres attended the reception.